

1921

# Standard syllabus for schools of accountancy

United Y.M.C.A. Schools

Follow this and additional works at: [https://egrove.olemiss.edu/acct\\_inst](https://egrove.olemiss.edu/acct_inst)

Part of the [Accounting Commons](#), and the [Taxation Commons](#)

---

## Recommended Citation

United Y.M.C.A. Schools, "Standard syllabus for schools of accountancy" (1921). *Publications of Accounting Associations, Societies, and Institutes*. 166.

[https://egrove.olemiss.edu/acct\\_inst/166](https://egrove.olemiss.edu/acct_inst/166)

This Article is brought to you for free and open access by the Accounting Archive at eGrove. It has been accepted for inclusion in Publications of Accounting Associations, Societies, and Institutes by an authorized administrator of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).



Syllabus D-17

REVISED JUNE 1, 1921

## Standard Syllabus for Schools of Accountancy

Issued by

THE UNITED Y. M. C. A. SCHOOLS

347 Madison Avenue, - New York City

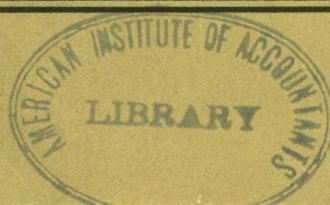
Published by

**ASSOCIATION PRESS**

347 MADISON AVENUE

NEW YORK, N. Y.

1921





Syllabus D-17

REVISED JUNE 1, 1921

## Standard Syllabus for Schools of Accountancy

Issued by

**THE UNITED Y. M. C. A. SCHOOLS**

347 Madison Avenue, - New York City

Published by

**ASSOCIATION PRESS**

347 MADISON AVENUE

NEW YORK, N. Y.

1921

Syllabus D-17 June, 1921

# Standard Syllabus for Schools of Accountancy

Issued by  
THE UNITED Y. M. C. A. SCHOOLS

ACCOUNTANCY COMMISSION

D. S. SYLVESTER, Boston  
H. C. DAINES, Chicago  
C. A. WESP, Philadelphia

G. H. NEWLOVE, Washington  
F. L. ROTH, Cleveland  
RALPH B. MAYO, Denver

Published by  
**ASSOCIATION PRESS**  
NEW YORK: 347 MADISON AVENUE  
1921

Copyright, 1920, by The International Committee of  
Young Men's Christian Associations

## FOREWORD

This pamphlet represents the results of experience in organizing and conducting courses in accountancy subjects, intended primarily for young men actually engaged in business.

To meet the needs of such young men, the program of studies is dominated by practical aims. All superfluous material is eliminated and the methods of instruction are such as to give the largest results with the utmost economy of time.

While the material has been prepared with care, it is in need of further revision in the light of testing under actual conditions in the several Associations maintaining schools of Accountancy and the Commission welcomes the fullest and frankest criticism and suggestion.

## INTRODUCTION

In the school year 1901-1902 the study of Accountancy was introduced into Y. M. C. A. Schools. During the last ten years the Y. M. C. A. Accountancy Schools have developed three and four year standard curricula and in 1920-1921 enrolled approximately 10,000 students.

Until the organization of the United Y. M. C. A. Schools movement, the various Y. M. C. A. Schools offered curricula and courses of various content, length and quality. For two years the standard Accountancy Commission has been studying the work of the local Schools in order to determine from their experience the most desirable standards of Accountancy instruction. Previous editions of this syllabus contained the results of these studies for portions of the curricula. The present edition sets forth the detailed outlines of a complete four year standard curriculum. (A three year curriculum is also offered for the smaller schools.)

### 1. Demand and Scope

Since the Accountancy work is a training for business, it may safely be said that there is a demand for the work wherever there is business. A manufacturing city is perhaps the best location for such a school because the flow of work gives an opportunity for advancement to the trained man. A large city of office employes, such as New York or Washington, also furnishes a good field for the same reason. The only limitation on the demand for business courses is where the available employes in the city are so small in number that it is impossible to recruit a paying class.

### 2. Christian Standards in Educational Work

(1) The purpose of the Y. M. C. A. Schools is to develop character, no less than ability, through enriching the student's personality. This is to be accomplished without regard to creed, but with emphasis upon the Christian ideals of intelligent, unselfish service to men, loyalty to country, and love to God.

(2) The efficiency of a Y. M. C. A. School shall be measured by its production of character and ability, as well as by educational, statistical and financial results.

(3) In accordance with this purpose, not only should all the enterprises of the Educational Department, including Promotion, Enrolment, Administration, Instruction, and Placement (as described under these headings elsewhere in this syllabus) conform with the highest ethical standards, but they should be also permeated with and dominated by a spirit of unselfish service to the student and to the community. In meeting these standards, the Association, through its Educational Department, will deal honestly and fairly with the student and with the employer and be single-minded in rendering service, rather than in building up a large enrolment or a great reputation.

To inspire men and boys, who are to fill important places in the business world, with Christian ideals, is an opportunity and a responsibility fully in accord with the purpose and spirit of the Association.

This statement from a notable book on the new educational movement in Germany, sets forth in a very clear and convincing way the spiritual basis for education in a democracy:

"There is no problem of civilization, no reform movement, no political tendency, indeed no revolution, which does not find itself sooner or later confronted by the need for a different kind of man . . . Democracy, especially, can never be realized save through the education of men with a spiritual basis. . . . For democracy does not rest upon constitutions, or anything that is formal or legal; but upon faith in the germ of spirit that lies in humanity—in every man, in the masses. Democracy is optimism. Autocracy is a lack of faith in the human in man. Autocracy is always anxious as to its own position. Democracy is a daring faith that it is easier and safer to set millions spiritually upon their own feet, than to train one crown prince to be a true ruler. . . . Democracy, therefore, must insist upon the spiritual education of the masses."

### 3. Qualifications of the Instructor

The instructor should be technically trained, thoroughly familiar with, and competent to teach his subject. He should have some acquaintance with the related subjects in which a knowledge of Accountancy is impor-

tant and have had actual experience in some of the occupations in which Accountancy is used. He should be the best available, and should be paid a salary commensurate with his ability. He should be enthusiastic and possess a personality that inspires confidence in his students. He should have the gift of presenting his material in such a way that his statements can be understood, both by the man who has had some technical training and actual experience and by the beginner. The instructor should attend regularly all faculty meetings.

While the central organization may furnish material for courses, the local instructor is the all-important connecting link between the material and its application in such a way as to be of value to the student. As the courses are along business lines, a professional teacher is not necessarily the best man as instructor, except in such subjects as Economics and Business Finance, which are more in the line of the usual Liberal Arts education. For Accountancy and all technical subjects the instructor should have business experience as well as teaching experience. In short, he can be taught how to teach, but he cannot be taught business experience. The material which is furnished will assist the instructor, but it is necessary to rely on his experience to make the connection between theory and practice.

The prime motive of the instructor should be the service to his students; and such service should include not merely the presentation of material and methods, the giving of skill in process, but also the strengthening of courage, resolution, spirit, and all moral and spiritual qualities that are of great importance in determining the success of the individual in his life work.

As such qualifications are most likely to be possessed by the man whose Christianity expresses itself in terms of real manhood, in character, and in a sincere desire to serve men, the instructor should be in affiliation with an Evangelical Christian Church.

It is all important that in our Association careful attention be given to the Christian character of the instructor, as well as to his teaching ability and business experience. It is our aim to produce men of Christian character in the business world, and, while it is admitted that it would be impractical to combine religious work with the distinctly business courses, it is contended that an instructor of high ideals will teach these ideals to his classes at the same time he is imparting information to them. This will result in turning out men who will stand strictly for ethical business principles and who will conduct themselves as Christian men.

#### 4. Promotion

The methods of promotion of a business course should be somewhat similar to the sales methods of a business concern. The course will not be sufficiently successful unless a reasonable number of students are gathered together. This means that the course must be sold, and the principles of salesmanship are too well known to need much outlining here.

Naturally, mailing lists will be made up as of especial value. These mailing lists should be divided into these several classes and used as follows:

A. Men who have previously inquired about the school, but have never enrolled: This list should be circularized and a catalog sent. A follow-up letter to this list should be sent ten days after the catalog and will probably produce good results. The prospect list should be kept up to date, and inquiries over two years old should be eliminated.

B. Men who have previously enrolled in the school, but have dropped out: These men should receive a letter referring to their leaving the school, expressing the hope that conditions have changed so that they may return, and offering any assistance possible toward making up lost work. A catalog should, of course, accompany this letter.

C. Men who are at present enrolled in the school and who are expected to return for another year's work: These men should receive a catalog and a few words descriptive of the work of the coming year. This list is particularly important, as it is essential to keep a student in the school, once he is secured. The mortality between school years is heavy and is a constant loss to the school.

D. Business executives within a circle of ten or more miles of the Association (this list should be made up from the membership of the local Chamber of Commerce and any other club lists which are available): The men on this list should receive a personally signed letter calling attention to the work of the school and the importance of training the young business man. This should be followed by a second letter and catalog, again calling attention to the work of the school and asking for the names of men employed in that business to



whom the training would be valuable. In this case a return stamped post card should be enclosed. Another follow-up letter can be sent to the men who do not reply.

Note: In the case of the executives of large concerns, personal solicitation will probably result in better lists of names than a letter. An executive of a big company is likely to lay aside the letter, or his secretary is likely to sidetrack it, but if interest is once aroused he may be counted on for cooperation.

E. A mailing list of new prospects picked up from directories, inquiries, and other sources; This list should be circularized, and, as each additional name is received, letters and catalogs should be sent. A second and a third letter should be sent at periods of from ten days to two weeks.

Newspaper advertising should be written up in a dignified but attractive manner, and should be planned to produce inquiries, beginning about four weeks before the opening of school. This gives an opportunity for the three circular letters to be sent to the prospect before the school opens.

A rather important part of the selling organization, which is somewhat overlooked, is the personal interview with the applicant. If a prospect comes in and is met by a clerk who is not interested in his case or who has not the necessary information to direct him to the proper office, a bad impression is made at once. There should be a systematic method of meeting callers from the moment the caller enters the door until he reaches the person to whom he is directed. This person should be well informed, and, in addition to being well informed, he should be possessed of human interest, in order that he may advise the student in accordance with his particular needs.

F. In the promotion of educational courses, a strict adherence should be had to Christian standards of truth, honesty, and fair statement. Care should be taken against exaggerated claims of what a course contains or of the advantages to be secured therefrom by the student. There should be full assurance that any statement regarding equipment or instruction can be fully met.

## **5. Fees and Enrolment**

The prices to be charged will vary considerably in different localities. Care should be taken that the price is not so low as to cause a student to feel that the work must necessarily be of second grade caliber. On the other hand, it should not be beyond the reach of the man of average salary.

From the Association point of view it should be the object of the educational department to meet all its direct expenses by the income from tuition. Possibly the department may do even better than this, and may contribute something toward the expenses of the whole Association, but the minimum requirements should be to cover its own actual expenses. Information as to fees charged by various Associations may be obtained upon request from the United Y. M. C. A. Schools, 347 Madison Ave., New York City.

1. The interviewing and enrolment processes are important. Assistants who do the interviewing of prospective students should be made to feel that there is no more important duty to the Association than this particular task. When the real service side looms large in the assistant's mind, no matter how tired or engrossed he may be with other work, he will readily welcome each prospect. The newcomer responds to this spirit and quickly feels at home. The less hurried the interview, the more opportunity to give the personal touch and bring the prospective student under Christian influence. If he leaves without enrolling in the course, he still feels that he has a friend at the Y. M. C. A. to whom he may turn at any future date. If he registers, the Secretary should, if possible, fill out the necessary blanks and deepen the acquaintance with a new student. Then, if he becomes discouraged, or is absent, a letter or word from the man who interviewed him will have double the drawing power.

2. Unfortunately, in large Associations the Educational Secretary cannot do all the interviewing of prospective students. However, he should, under no circumstances, fail to do some interviewing for his own advantage as well as for that of the prospect. He should give assistants the opportunity of hearing his interviews, in order to learn his methods. He should also occasionally hear the assistants' interviews, possibly learn from their methods, and later offer helpful suggestions, never forgetting to commend good points. The Educational Secretary's time is never more profitably occupied than when counseling with the young men. Those most likely to become strong supporters and particularly loyal students and alumni are often men who feel that the head of the school has, at some time, given their cases personal attention. It is

with these men that the Secretary can do his best "personal work." It is seldom that he can afford to let a day go by without at least one personal interview.

3. So far as possible, the interview with students should be carried on by a man with sufficient experience to recognize quickly the conditions which have surrounded the prospect during his past career and be able to give him a clear idea of the conditions in the business world into which he is about to enter. In other words, the interviewer should be a man able to give true vocational advice to prospective students. In addition to this, the interviewer must be able to set forth clearly and logically, as well as truthfully, the work done in the class, and should determine whether or not the prospect to whom he is talking is the type of man who might properly be enrolled as a student. If it appears that the prospective student is not likely to profit by the course, he should be frankly advised to that effect by the interviewer. However, if the student still desires to take the course of his own volition, he should be given every opportunity with other students.

4. Students should not be enrolled for a briefer time than that required to complete the subject. Enrolment for a shorter period brings unsatisfactory results to students and school for the reason that the student gets the impression that he will be able to complete the course within that term for which he enrolled. These facts should be frankly stated at the time of the interview.

5. A good enrolment process includes the following steps:

A. The enrolment process begins with the assumption of an interested interviewing staff which is able to give accurate detailed information, if required, concerning every phase of the course, including general advertising of the work in which the inquirer is interested. Notices from the Promotion Department should designate the time of opening, the hours, the room, the terms, Y. M. C. A. privileges, etc.

B. A well-planned standard registration blank may be adopted later, but a satisfactory form will record:

(1) Information about the student in which the Registrar is interested, such as name, age, home, and firm address, telephone, total fees to be paid, amounts and dates of installments, if payment is not made in cash; (2) General information desired by other departments of the Association; (3) the regulations to which he must subscribe and adhere as a student. (The enrolment blanks of the Buffalo Y. M. C. A. are recommended as fulfilling all requirements noted here, with the additional advantage of fitting into a loose-leaf binder which can be used as the permanent record of the student and of his connection with the Association.)

C. Consultation with the instructor should then follow, so that the student may know just what textbooks and material are necessary.

D. See that the student is put to work by the instructor with all the necessary books and supplies in hand.

## 6. Content and Method

A. *Administration.* An Educational Secretary giving his full time to the Educational Department is the first prerequisite for a local Association that desires to offer this standard curriculum. As soon as possible, an Assistant Secretary or Dean should be secured to give his entire time to the promotion and supervision of a school of Accountancy:

B. *Instruction Methods.* Seeing a class through is after all the big task. The brunt of this work is upon the instructor in a leadership capacity as well as in that of teacher. Class morale should be given special attention in Association schools because of the great amount of individual instruction given. Instructors should be fully informed as to guiding principles in the conduct of Association classes and be recharged periodically with aims, methods, and ideals. This can be accomplished by means of:

1. Faculty meetings for interchange of ideas.
2. Written instructions upon fundamentals.
3. Selected literature.
4. Personal contact with older instructors and secretaries.
5. Talks to the faculty by specialists.
6. Setting-up Conferences annually for instructors and committeemen, and Y. M. C. A. Summer Schools and Conventions.

Experience indicates that the progress of a class in the study of a subject can be divided into three periods, though the lines of division may not be marked in many cases and will vary in position for different individuals and classes. The best administration is that in which both the director and instructor anticipate and sense the changing times and are prepared to meet them. These periods are:

1. The period of enthusiasm or interest (first two to four weeks after opening).
2. Period of work or sustained effort (until four to six weeks before closing).
3. Period of fatigue, a reaction from either steady application, or changing seasons, or both (last four to six weeks).

C. *Ways of Creating and Holding Morale:*

1. Personal touch of instructor meeting individual need or ambition.
2. Student recreational and social life, functioning through a student council.
3. Where the instruction is primarily individual, occasional group instruction (not exceeding a half hour) upon general topics relating to the subject being taught.
4. Occasional short inspirational and character-building talks during class periods.
5. Students' study and lounging room.
6. Educational and religious literature in pamphlet or small book edition available in lounging room or loaned by the instructor after interest has been aroused.
7. Bible classes, interviews.
8. School assemblies, banquets, graduation or closing exercises, school papers.

D. *Methods of Giving the Christian Emphasis.* The personal character and spirit of the instructor are factors of the utmost importance in such service. There will be opportunities for interviews and for exerting a helpful influence because of the sympathetic and close relations that obtain between instructor and students. The activities and interests of the students outside the classroom, both in the Association building and in their callings, furnish a favorable field for the practice of the highest teachings of Christianity, and full advantage should be taken of these opportunities by the instructor. When it is possible to gather the students in a general assembly, direct, practical talks in moral and religious themes can be given. Oftentimes, the student can be influenced in his life through a book or pamphlet which he may be given, or to which his attention can be directed.

As regards the inculcation of religious and moral teaching in connection with the subject-matter of any course, great care must be exercised not to make such presentation either far-fetched or artificial. Many subjects admit of tactful suggestion of religious truth. In most instances such teaching can be done best by inference and by the personal spirit of the teacher.

E. *Description of Courses.* The Commission has laid out a basic four-year curriculum of college grade, in Professional Accountancy, arranged so that the local Associations may conduct classes on one, two, or three evenings per week.

The curriculum is based on four years' work, of 192 class hours per year. A class hour is not less than fifty minutes in length and preferably sixty. Each class session is expected to last for two class hours so that a half-year course coming one night a week will result in a credit of thirty-two class hours toward the diploma.

The required number of class hours for a degree, or diploma, is 768. Schools operating three nights per week for four years will obtain the required number. Schools operating two nights per week will find it necessary to take more than four years.

While emphasis is laid on the four-year courses, it is realized that at the present time some Associations cannot undertake a four-year curriculum and for this reason an outline has been prepared covering a three-year course. The Commission hopes, however, that within a short time it will be possible to place all the work on the four-year basis.

F. *Admission Requirements.* In admitting students to these courses, it should be understood that this is

strictly college grade work and that where a degree is concerned in order to receive credit towards diploma, or degree, a student must be a high school graduate or must have received fifteen points of academic training in some approved preparatory school.\* This applies to all regular and conditioned students, but does not apply to special students, who may be admitted regardless of academic qualifications, but who will not be eligible for the diploma or degree.

G. *Index Numbers of Courses.* In the outlines attached will be found certain index numbers for identification purposes. These index numbers are intended to do away with any possible misunderstanding as to the exact courses given in the several Associations and also to serve as an accurate reference to these courses in the local Associations. In each case the initial figure refers to the year in which the course is to be given, that is, Freshman 1, Sophomore 2, etc. The middle figure classifies the subject; zero indicates Accountancy, 2 indicates Law, 3 Economics, and 4 Business Administration. In the final figure, odd numbers indicate first semester subjects and even numbers second semester subjects: that 401 represents Advanced Theory of Accounts taught in the first semester of the fourth year; 402 Advanced Theory of Accounts taught in the second semester.

#### FOUR-YEAR PROFESSIONAL ACCOUNTANCY CURRICULUM

(See outlines of courses commencing on page 14)

		Class Hours per Week			Class Hours Per Year
	First Class Session	Second Class Session	Third Class Session		
FIRST YEAR					
First Semester					
Accounting 101, Theory and Practice.....	2				32
Business Economics 131 .....		2			32
Law 121, General Survey; Contracts; Agency.....			2		32
Second Semester					
Accounting 102, Theory and Practice.....	2				32
Money and Banking 132.....		2			32
Law 122, Partnerships and Corporations.....			2		32
SECOND YEAR					
First Semester					
Accounting 201, Theory and Practice.....	2				32
Business Finance 231 .....		2			32
Law 221, Bailments and Carriers; Sales; Negotiable Paper; Banks; Suretyship .....			2		32
Second Semester					
Accounting 202, Theory and Practice.....	2				32
Office Organization and Management 242.....		2			32
Law 222, Property; Estates; Wills; Bankruptcy; Debtor and Creditor .....			2		32
THIRD YEAR					
First Semester					
Accounting 301, Specialized Accounting.....	2				32
Income Tax 305.....		2			32
Accounting 303, Constructive Accounting.....			2		32
Second Semester					
Accounting 302, Specialized Accounting.....	2				32
Factory Organization and Management 342.....		2			32
Accounting 304, Cost Accounting.....			2		32

#### FOURTH YEAR

##### *First Semester*

Accounting 401, Advanced Accounting and Auditing Theory	2			32
Elective .....		2		32
Accounting 403, C. P. A. Accounting and Auditing Problems			2	32

##### *Second Semester*

Accounting 402, Advanced Accounting and Auditing Theory	2			32
Elective .....		2		32
Accounting 404, C. P. A. Advanced Accounting and Auditing Problems .....			2	32

### THREE-YEAR PROFESSIONAL ACCOUNTANCY CURRICULUM

(See outlines of courses commencing on page 14)

	<i>Class Hours per Week</i>			
	First Class Session	Second Class Session	Third Class Session	Class Hours Per Year
<b>FIRST YEAR</b>				
<i>First Semester</i>				
Accounting 101, Theory and Practice.....	2			32
*Elective .....		2		32
Law 121, General Survey; Contracts; Agency.....			2	32
<i>Second Semester</i>				
Accounting 102, Theory and Practice.....	2			32
*Elective .....		2		32
Law 122, Partnerships and Corporations.....			2	32
<b>SECOND YEAR</b>				
<i>First Semester</i>				
Accounting 201, Theory and Practice.....	2			32
*Elective .....		2		32
Law 221, Bailments and Carriers; Sales; Negotiable Paper; Banks; Suretyship .....			2	32
<i>Second Semester</i>				
Accounting 202, Theory and Practice.....	2			32
*Elective .....		2		32
Law 222, Property; Estates and Wills; Bankruptcy; Debtor and Creditor .....			2	32
<b>THIRD YEAR</b>				
<i>First Semester</i>				
Accounting 401, Advanced Accounting and Auditing Theory	2			32
*Elective .....		2		32
Accounting 403, C. P. A. Accounting and Auditing Problems			2	32
<i>Second Semester</i>				
Accounting 402, Advanced Accounting and Auditing Theory and Practice .....	2			32
*Elective .....		2		32
Accounting 404, C. P. A. Advanced Accounting and Auditing Problems .....			2	32

\*Write to United Y. M. C. A. Schools, 347 Madison Ave., New York City, for information regarding details of course desired.

## 7. Texts

The texts approved as standard are as follows:

Accounting 101-102—Volume I, R. B. Kester (Ronald Press, New York City).

Accounting 201-202—Volume II, R. B. Kester (Ronald Press, New York City).

Accounting 301-302—Specialized Accounting, G. H. Newlove (D. Appleton & Co., New York City).

Accounting 401-402—Advanced Accounting and Auditing Theory, G. H. Newlove (D. Appleton & Co., New York City).

Accounting 403-404—C. P. A. Advanced Accounting and Auditing Problems, G. H. Newlove (D. Appleton & Co., New York City).

Law 121, 122, 221, 222—Bays' American Commercial Law Series Revised, United Y. M. C. A. Schools Edition, Books I, II, III, IV (one for each semester). (Callaghan & Co., 401 East Ohio Street, Chicago, Illinois).

Business Economics 132—Our Economic Organization, Marshall & Lyon (Macmillan & Co., New York City).

Business Finance 231—Business Finance, Lough (Ronald Press, New York City).

Office Organization and Management 242—Office Organization and Management, Galloway (Ronald Press, New York City).

Factory Organization and Management 342—Factory Organization and Administration, Diemer (La Salle Extension University, Chicago, Illinois). Twelve Principles of Efficiency, Harrington Emerson (Engineering Magazine, New York City).

Income Tax 305—Income and Profits Taxes, Clabaugh (Association Press, New York City).

Accounting 101-102—(See detailed outline of Accounting 101, page 15 of the syllabus)—Rittenhouse and Clapp, Accounting Theory and Practice, Unit No. 1 (McGraw-Hill Book Company, New York City). Supplementary Exercises for Schools of Accountancy and Business Administration, Thompson (Association Press, New York City).

Accounting 201—Digest of Accounting 201, Blankenship (Association Press, New York City).

## INSTRUCTOR'S MATERIAL

Accounting 101-102—In addition to the text material the instructor will want Instructor's Outlines, Accounting 101-102, R. B. Kester (Association Press, New York City).

Accounting 201—As in the case of 101-102 the instructor will want Digest of Accounting 201, Blankenship (Association Press, New York City).

## 8. Terms

A description of the length of the courses, number of class hours, etc., is found under 6, Content and Method, Section E.

## 9. Equipment

The equipment necessary for the proper conduct of a school of Accountancy consists of classrooms suitable for lectures and for written work. A considerable amount of the required work is assigned to be done in class under the supervision of the instructor, and this will require desks and such minor equipment as rulers, paper, and pencils, which can be sold to the student.

While not strictly included in equipment, it will be an exceedingly valuable adjunct to the classroom work if arrangements can be made with some of the manufacturers to permit students to go through their factories occasionally, as this will give a better idea of business conditions than it is possible to obtain in any other way.

## 10. Forms and Records

Records should be made in regard to each student enrolled in the school. These records should commence



when his name is first placed on the prospect list, and should not be considered complete until he has been graduated or until he has been definitely dropped from the roll.

A. *Enrolment and Payment.* When a student enrolls, the following information is required: name; address; business; age; previous education; and moral character. The same blank should also contain a statement of the course for which he is enrolling, and the amount of tuition to be paid therefor. Upon the acceptance of this enrolment blank, a payment slip is made out by the school office, giving the name of the student and the amount of money he is to pay as his first installment. The student presents this at the payment desk and obtains a receipt. A decision is rendered as soon as convenient on the student's standing as a regular candidate for the diploma, or degree.

From the enrolment blank an entry is made in the Journal, charging the student with the entire amount of tuition he is to pay, and crediting Anticipated Income. The charge to the student naturally becomes an account receivable, and as payments are made they are merely credited to Accounts Receivable and the proper student's account receives credit. This means that the Anticipated Income account represents the entire expected income of the school and that the offsetting asset of Accounts Receivable is gradually transferred into Cash as the money is paid in.

B. *Class Work.* Aside from the entrance and financial records, it is necessary to record a student's work in the school. This may be done by means of a register sheet for each student, so printed as to contain his name and class, and to provide space for each of the problems required in the subjects contained in his course for that year. In the first year's work the subjects would be Accountancy 101 and 102, Law 121 and 122, Economics 131, and Money and Banking 132.

The following plans have worked successfully in one school:

Each class monitor is furnished with a list of the class every night, and as the student passes in the work due that evening his name is checked on the list. The next morning the school office checks on the student's register sheet the fact that the work has been passed in and sends the work itself to the instructor for correction. Upon its correction and return the proper grade is indicated on the student's register sheet, thus completing the record of this particular home assignment.

Where a student hands in work late this must be passed directly to the school office, where he receives a numbered receipt similar to the receipt given for registered letters. The number is then marked on the work he has turned in, and it is then recorded in a journal. From this journal the record and the date when it was turned in are posted on the student's register sheet opposite the proper problem number. When the work is returned the grade is also posted on the student's sheet.

This means that the student's sheet will show: first, all of the problems to be assigned throughout the year; second, by means of a check mark, those which have been passed in on time but which have not been graded; third, by means of a record number and date, the fact that a student passed in work late which has not been recorded; fourth, where a grade is posted opposite a problem it indicates that the work has been corrected and returned to the student.

C. *Examinations.* Examinations are treated in exactly the same way, and are placed at the bottom of the sheet, so that a student's entire record for the year may be ascertained from this single sheet. This sheet also furnishes the basis for promoting a student to the next year's work, and the final grade in each subject may be summarized, reported to the student, and posted in the final graduate record which is kept throughout a student's attendance, and which, upon his graduation becomes the complete official record of his attendance at school.

Forms for the above records may be obtained by application to United Y. M. C. A. Schools, 347 Madison Avenue, New York, N. Y.

## 11. Placement

It is not recommended that any accountancy school attempt to guarantee positions to students or graduates. There are so many typewriting and bookkeeping schools doing this that the offering of such a premium merely places the Association school on the same plane. On the other hand, every attempt should be made to assist students, and, where inquiry is made by an employer, search should be made for a student to fill the

requirements. In other words, the school should accommodate both students and employers, but should not guarantee positions.

In placing students in any given business, stress should be laid upon the opportunity the calling affords for the rendering of real service to one's employers and one's fellows. "A full day's pay for a full day's work is good ethics and good economics."

Obviously, where the conditions in a given establishment or line of business are at variance with Christian ideals, the influence of the Association should be exercised against placing men in such callings or positions.

## 12. Revision Suggestions

Suggestions for the improvement of this syllabus are earnestly requested by the Commission. Address United Y. M. C. A. Schools, 347 Madison Avenue, New York, N. Y.

## CONTENT AND METHOD

### 1. Brief Outline of Accounting 101, Accounting Theory and Practice

Based on

KESTER, ACCOUNTING THEORY AND PRACTICE, VOLUME I (Ronald Press, New York)

(Note: The "Detailed Outline" which follows may be used *instead* of this "Brief Outline.")

SESSION 1. *History and Development of Accounting.* Antiquity of Accounting; Medieval Retrogression; Early English Accounting; Rise of Double Entry System; Development of Ledger Account; Organization of Accounts.

Assignment. Chapter I, supplemented by a statement of the threefold opportunities in the accounting field—public, private, and collegiate—together with the need of training in accounting as a fundamental prerequisite to all lines of business activity.

SESSION 2. *Proprietorship and Business Organizations.* Relation of Accounting to Economics and Law; Fundamental Problems of Accountancy; Single Proprietorship; Partnerships; Corporations, Showing of Proprietorship under These Types; Problems.

Assignment. Chapters II and III, with accompanying problem assignments.

SESSION 3. *Financial Statement.* Its Purpose, Use, Content, and Subdivisions; Principles Governing Fullness of Detail; Comparison of Net Worths; Comparative Financial Statements; Problems.

Assignment. Chapters IV and V, with accompanying problem assignments.

SESSION 4. *Profit and Loss Elements.* Temporary Proprietorship Records; Fiscal Period; Physical Inventory; Titles, Make-Up, and Content of Profit and Loss Statements; Net Profit; Problems.

Assignment. Chapters VI and VII, with accompanying problem assignments.

SESSION 5. *Financial Elements and the Account.* Various Aspects of Temporary Proprietorship Records; Relation of Profit and Loss to Financial Elements; Purpose, Title, and Sections of the Account; Ledger and Its Content; Problems.

Assignment. Chapter VIII and IX, with accompanying problem assignments.

SESSION 6. *The Account and the Philosophy of Debit and Credit.* Balance of Account; Analyzing Business Transactions; Principle of Debit and Credit; Equilibrium of Debits and Credits; Problems.

Assignment. Chapter X and XI, with accompanying problem assignments.

SESSION 7. *Debit and Credit Applied to Asset, Liability, and Proprietorship Accounts.* Student's Use of Working Rules; Debits and Credits to Asset, Liability, Expense, Income, and Vested Capital Accounts; Problems.

Assignment. Chapters XII and XIII, with accompanying problem assignments.

SESSION 8. *Mixed Accounts and Periodic Work on Ledger.* Old and Modern Merchandise Records;

Assets Subject to Depreciation; Trial Balance; Balancing and Ruling Accounts; Summarizing the Ledger; Problems.

Assignment. Chapter XIV and XV, with accompanying problem assignments.

SESSION 9. *Inventories and Appraisal*. Need and Basis of Adjustment Entries; Adjusting and Closing Merchandise Records; Handling Depreciation; Handling Prepaid and Accrued Expenses and Income; Problems; Examination on Chapter I to XVI, inclusive.

Assignment. Chapter XVI with accompanying problem assignments. Use part of this session for quiz.

SESSION 10. *Sources of Data for the Ledger*. Insufficiency of the Ledger Record; Book of First Record; Posting to the Ledger; The Journal; Its Characteristics and Standard Form; Basis of Customary Sub-division; Problems.

Assignment. Chapters XVII and XVIII, with accompanying problem assignments.

SESSION 11. *Purchase and Sales Journals*. Expanded use of Purchase Journal; Handling Cash and Credit Purchases; Departmental Analysis of Purchases; Analysis of the Sales Transaction and Method of Record; Problems.

Assignment. Chapters XIX and XX, with accompanying problem assignments.

SESSION 12. *Cash Book and Modern Journal*. Purpose, Form, and Contents of Cash Book; Posting and Balancing Cash Book; Handling Cash Sales and Cash Discounts; Transactions Recorded in Modern Journal; Journal Explanations; Analytic Journal with Divided Columns; Problems.

Assignment. Chapters XXI and XXII, with accompanying problem assignments.

SESSION 13. *Business Papers*. The Invoice; Handling Purchase and Sales Invoices; Returned Goods Invoices; Negotiable Instruments—Drafts, Notes and Checks; Kinds of Indorsement; Problems.

Assignment. Chapters XXIII and XXIV, with accompanying problem assignments.

SESSION 14. *Business Methods*. Bill of Lading; C. O. D. Shipments; Statement of Accounts; Opening Bank Account; Deposit Ticket, Pass Book, Check Book; Discount of a Note; Calculations of Interest; Problems.

Assignment. Chapters XXV and XXVI, with accompanying problem assignments.

SESSION 15. *Methods of Posting and the Trial Balance*. Time and Methods of Posting; Cross-Indexing the Entries; Explanations in Ledger; Trial Balance; Suggestions for Locating Errors in Trial Balance; Transpositions; Transplacements; Checking the Postings; Problems.

Assignment. Chapters XXVII and XXVIII, with accompanying problem assignments.

SESSION 16. *Adjustment and Closing Entries and Summary Statements*. Need of Adjustment Entries; Prepaid Expense and Income Items; Accrued Expense and Income Items; Method and Effect of Closing the Ledger; Need of Summary Statements; Report and Account Forms of Statements; Problems.

Assignment. Chapter XXIX and XXX, with accompanying problem assignments.

SESSION 17. *Final Examination*.

## 2. Detailed Outline of Accounting 101

(The exercises mentioned below are contained in two books: Rittenhouse and Clapp, "Accounting Theory and Practice, Unit No. 1" and "Supplementary Exercises for Schools of Accountancy and Business Administration" by A. J. Thompson (edition of 1920). The exercises in Unit No. 1 are numbered 1 to 27; Thompson's Exercises are lettered A, B, C, D, etc., and numbered from 100 up.

"Supplementary Exercises for Schools of Accountancy and Business Administration," by Alfred J. Thompson, may be obtained from Association Press, 347 Madison Avenue, New York; Rittenhouse and Clapp's "Accounting Theory and Practice" from the McGraw-Hill Book Company, 239 West 39th Street, New York.

(Note: R and C = Rittenhouse and Clapp; Th. = Thompson. Revised, 1920.)

It is understood that instructors may not be able to follow out the details of the lesson plan as given below, exactly according to schedule. All the work scheduled, however, should be covered in the 16 sessions.)

## SESSION No. 1

Lecture on double entry bookkeeping illustrated by a blackboard demonstration of an exercise similar to Exercise A (Th. p. 1), and covering the following accounts: Proprietor, Cash, Merchandise Purchases and Merchandise Sales. The instructor should write the ledger headings on the blackboard and proceed to place in the accounts a dozen or more transactions finishing with a trial balance. Explanation of the principles involved in each transaction should be given by the instructor who should confine his lecture to the accounts under discussion and invite questions by the students. The character of the questions asked will serve to give the instructor a knowledge of points that need more emphasis.

Another blackboard demonstration of the same character as the first may now be given requiring the students to say what shall be done with each transaction and to give the reason for so doing. The fact that an entry on one side of an account adds to the balance and an entry on the other side subtracts from the balance should be made clear.

After the second exercise including the trial balance has been performed and fully explained the instructor will require the students to perform Exercise A (Th. p. 1). After allowing a suitable time for the completion of this problem, the instructor will read the correct posting for each transaction and the correct figures of the trial balance and require the students to check their work.

Home work to be brought in at the next session: Exercise B (Th. p. 1).

N. B. It is considered wise to give students more or less practice in the mechanical work of placing transactions in accounts before requiring a study of theory.

## SESSION No. 2.

Postings and figures of exercise assigned for home work to be read by the instructor and checked by students. Functions of accounts used placed in a concise form by instructor on the blackboard. Students should be required to become familiar with the functions of all accounts used as they are taken up. (Chapter II, Unit No. 1, R and C).

The functions of customers', creditors' and expense accounts should now be explained and blackboard illustrations given of the postings to these accounts, being careful to demonstrate the postings to the accounts involved on *both sides* of each transaction.

Exercise C (Th. pp. 1, 2), performed by class with trial balance, time 35 minutes. Instructor will then read the correct figures which will be checked by the students.

Home work: Exercise 1, page 17, Accounting Theory and Practice, Unit No. 1 (R and C), with trial balance to be brought in at the fourth session and given to the instructor to be graded; also Chapter I, Unit No. 1 (R and C), for reading.

Neatness and correct technic in all work passed in should be insisted upon by the instructor. In Exercise No. 1, each item should be dated, not forgetting the year date in every account, ledger headings should be plainly written and slightly larger than ordinary writing and the one account that balances should be properly ruled.

In preparing for the trial balance the balances should be figured on scratch paper, not in the ledger, and a memorandum of the balance should be entered in small pencil figures on the larger side of the account and on a line with the last posting to that side. All home work should be done in ink as the use of a pencil seems to be conducive to "sloppy" work.

## SESSION No. 3.

Questions on Exercise No. 1 answered.

Functions of Notes Receivable and Notes Payable accounts taken up and blackboard illustrations given of the various transactions which may be entered in those accounts, taking care as before to include the accounts used on both sides of each transaction.

The Journal. The class is directed to turn to Exercise E (Th. pp. 2-12). After the use of the journal and the forms of entries are explained, the transactions on page 3 are to be taken up and the journal entry for each one carefully analyzed. The transactions should then be traced into the ledger and the system of post marks or folio pages explained.

The closing entries, profit and loss statement and balance sheet need not be considered at this time.

Exercise No. 100 (Th. pp. 13-16). Method of journalizing purchase and sales discounts. Freight Inward a part of the cost of purchases. Exercise No. 100 contains nothing different in principle from the A. W. Swenson Model Exercise E (Th. pp. 2-12), and students should be directed to use that exercise as a guide.

#### SESSION No. 4.

The instructor should go over the journalizing of Exercise No. 100 with the students, allowing them to take notes.

The Balance Sheet as an arithmetical proposition with little or no attention to form. The trial balances of B. D. Peters and A. L. French (Th. p. 16), will serve as material from which to construct balance sheets, profit and loss statements and closing entries. At the same time, the student should be taught to distinguish between items which belong on the balance sheet and those pertaining to the profit and loss statement, leaving the various classifications of assets and liabilities for a later lecture. If more material is needed, the trial balance of Exercise No. 101 (Th. p. 17), may be used.

The Profit and Loss Statement as an arithmetical proposition.

The material in Thompson's which was used for balance sheets may be used also for profit and loss statements. After a demonstration of how the net profit is found, the students should be required to find the net profit from the profit and loss items of a trial balance and prove it by the balance sheet items.

Home work: Journal transactions of No. 100 entered in journal and posted into ledger, make trial balance, figure net profit from the nominal or proprietorship accounts (Kester) and prove it by the balance sheet items. Reading assignment, Kester, Chapters IV, VI, and VII. (Brief to be passed in or a quiz at 6th session.)

#### SESSION No. 5.

Read correct journal entries of No. 100, allowing students to check.

Another blackboard demonstration of finding the net profit by arithmetic.

(Formal Profit and Loss Statement.) The form of the profit and loss statement has much to do with its accuracy. In looking over statements made by pupils of different schools, it has been noticed that in every case where the pupil has added instead of subtracting, or has subtracted when he should have added, the form of the statement was such that the pupil was actually led into making the error. It is desirable, therefore, to adopt a form of statement that will assist rather than confuse the student. Such a statement indorsed by good accountants has been in use by Northeastern College for several years and is recommended for this work. An illustration of the form is given in the "E. P. Mason" statement (Th. p. 59).

The same statement changed slightly in order to conform to the Federal Income Tax Law concerning discounts on sales and discounts on purchases is also given in Thompson (p. 62). If this form is used, the closing entries should be correspondingly changed.

Correct forms of profit and loss statement, and the balance sheet of Exercise No. 100 without figures placed upon the blackboard. Students required to copy them and to bring them in completed with the remainder of Exercise No. 100 at the next session. If thought desirable, the trial balance may be read and students allowed to check. Closing entries and statements thoroughly explained.

Sufficient attention should be given to ruling to insure its proper performance in the ledger. Some students ignore the model ledger forms given and rule with no system.

(It is essential that the students be shown their errors as quickly as possible after doing the work. The students taking this course are mostly business men who are not disposed to copy blindly with imperfect understanding of the work. Their age and experience should be considered in dealing with them, and the instructor who does not recognize these conditions is likely to feel the resentment of his class.)

Such help should be given the class at this session, as will enable them to complete and pass in Exercise No. 100 at the next session.

#### SESSION No. 6.

Home work passed in to be graded.

Need of subdivision of journal. Special journals as time and trouble savers. Students should turn to page 144, Unit No. 1 (R and C), and follow the instructor in his lecture on the advantages of a separate book for cash, the form of entry, etc.

The Purchase Journal and Sales Journal (R and C p. 146) should be taken up and explained in the same manner.

The Cash Journal. Exercise No. 6, Unit No. 1 (R and C p. 25). Students should use a double sheet of journal paper with two money columns on each page. The sheet is opened and spread flat upon the desk, the left page being used for cash received and the right page for cash paid.

Omitting the balance on March 1 (as there is no credit to offset it) the instructor will explain each entry and see that the proper forms are observed. The asking of questions should be encouraged as in answering them the instructor is enabled to cover the subject more fully and the students are correspondingly benefited.

Balance the cash book, rule, and take up the purchase journal, exercise No. 7, and sales journal, exercise No. 8, in the same manner, using two column journal paper for the three journals without attempting the more complex forms of purchase and sales books given in Unit No. 1 (R and C p. 146).

If the ledger accounts are used in No. 6, the remainder of the exercise should be done at home.

Home work: Chapters VII and VIII of Kester, and Exercise No. 9, Unit No. 1 (R and C p. 27).

The instructor will see that the students are properly started on this exercise and then assign it for a home lesson to be passed in at the 8th session. In addition to the work required in Unit No. 1 for Exercise No. 9, it would be desirable to request the students to figure the net profit and net capital, assuming that there is merchandise on hand December 31 to the amount of \$5,000.

The Working Sheet. The working sheet is a tabulation of the figures of a trial balance and inventories in such a manner that all the profit and loss items are placed in one pair of columns and the balance sheet items in another pair of columns. The balances of each pair of columns should give the net profit or loss and should equal each other. The working sheet assists the students in classification, and the figures of the profit and loss statement and balance sheet may be checked against it. By its use, the student may ascertain in advance the correct net profit when closing entries and statements are required. A form of working sheet is given (Th. p. 57).

Students should be required to follow the instructor in tracing the amounts in the "Trial Balance" columns of the working sheet to their resting places in the "Profit and Loss" and "Balance Sheet columns." The profit and loss statement and balance sheet of Exercise F (Model) (Th. pp. 58, 59) should be copied by the students on journal paper and especial care taken to have the arrangement and indentations exactly the same. (Being formal statements, abbreviations should not be used.) After doing this, they should check the figures of the working sheet against the same figures in the two statements.

The terms "current" and "fixed" as applied to different classes of assets and liabilities should be clearly defined. (See Unit No. 1, R and C, p. 38).

Closing entries. The closing entries should be carefully explained and the source of the figures used distinctly shown. The closing entries given in Exercise F (Model) (Th. pp. 60, 61) follow the profit and loss statements in every section and the student who is familiar with the latter should have no difficulty with the former after a little practice.

The student should now be required to open ledger accounts on ledger paper with each of the items of the trial balance given in Th. p. 56.

As the accounts are opened in the ledger a check mark should be placed against each item on the trial balance to serve as a post mark and the corresponding items in the ledger should have T. B. placed against them in the folio column. At this point it is well to impress upon the minds of the students that accounts must be opened with each and every item on the trial balance. Unless this is done, some students will omit Purchase Returns and Sales Returns. The accounts being open, the students should proceed to post from the closing entries Exercise F (Model) (Th. pp. 60, 61) into the ledger. It might be well to have them rule the accounts as they balance in order to emphasize the fact that the accounts do close and that their balances are merged or transferred into other accounts.

#### SESSION No. 8.

Exercise No. 12, Unit No. 1 (R and C p. 58), to be done as follows:

Working sheet, profit and loss statement and balance sheet to be done in class and passed to the instructor who will return it to the students at the next session to be finished.

Home work: Chapter VIII; Unit No. 1; Exercise No. 10, Unit No. 1 (R and C p. 33).



#### SESSION No. 9.

Closing entries of Exercise No. 12 taken up. Show why in this exercise there are no entries for inventory at beginning and none for returned sales and returned purchases. If blackboard space permits, make ledger accounts thereon and post the closing entries. After erasing work from blackboard, return papers taken up at 8th session and direct students to make the closing entries. Work passed in to be graded.

#### SESSION No. 10.

Exercise No. 11, Unit No. 1 (R and C, p. 35). As this exercise is to be assigned for home work, explanation should be made to clear points that may be obscure.

The 20 days' note given to Tracy, June 11, is interest bearing.

The inventory of unsold merchandise on page 39 should read \$3,417.25 instead of \$3,117.25.

Exercise No. 14, Unit No. 1 (R and C p. 65) in class profit and loss statement, balance sheet and closing entries only. "Points to be considered" to be taken up at next session and the percentages later.

Home work: Exercise No. 11.

#### SESSION No. 11.

Questions on Exercise No. 11 answered.

In sessions No. 11, No. 12, and No. 13, the examples in percentage, Interest and Discount (Th. pp. 18-25) are to be performed in class.

Percentages called for in Exercise No. 14 may be used as illustrations.

Students directed to provide themselves with blanks for the John G. Wilson practice set and have them in class on Session No. 14.

#### SESSION No. 14.

John G. Wilson set. Explanation of transactions through January 10. (Students should perform transactions on loose paper and hear them discussed in class before entering formally on the books.)

Closing entries of Exercise No. 101 (Th. p. 17) to be done in class and passed in. (Returns included in Sales and Purchases balances. Caution students.)

Home work: Transactions through January 10, entered and posted. Kester, Chapters IX, X, and XI.

#### SESSION No. 15.

First 10 days' entries in January John G. Wilson set read and students requested to check.

Exercise No. 13, Unit No. 1 (R and C p. 60) to be done in class. Refer students to Exercise F (Model) (Th. 56-62) for form of closing entries.

#### SESSION No. 16.

Transactions through January 20, John G. Wilson set explained.

Negotiable paper.

Promissory notes: Definition; essential elements; parties; time; distinct promise to pay; negotiable words; indorsements; checks and drafts. Kester, Chapter XXIV.

Home work: John G. Wilson set, transactions through January 20 entered and posted. Kester reading, Chapters XII and XIII.

### 3. Brief Outline of Accounting 102, Accounting Theory and Practice

Based on

KESTER, ACCOUNTING THEORY AND PRACTICE, VOLUME I (Ronald Press, New York City)

(Note: The "Detailed Outline" which follows may be used *instead* of this "Brief Outline.")

SESSION 1. *Classification of Accounts and Basic Accounting Methods.* Early and Recent Classifications of Accounts. Fundamentals of Good Classification; Analysis and Synthesis Applied to Account Classification; Modern Rulings and Bindings for Ledgers; Problems.

Assignment. Chapters XXXI and XXXII, with accompanying problem assignments.

SESSION 2. *Partnership from Business and Accounting Viewpoints.* Essential Characteristics of Partnership; Partnership Contract; Profit-Sharing; Interest and Investments; Valuation and Correct Booking of Original Investments; Problems.

Assignment. Chapters XXXIII and XXXIV, with accompanying problem assignments.

SESSION 3. *Handling the Cash and Discount.* Handling the Petty Cash; Keeping the Bank Account; Entering Checks on Cash Book; Branch Cash; Methods of Calculation and Purpose of Trade Discount; Nature of Cash Discount; Neglected Discounts; Problems.

Assignment. Chapters XXXV and XXXVI, with accompanying problem assignments.

SESSION 4. *Notes Receivable and Payable.* Relation of Notes to Open Accounts; Methods of Recording Notes; Interest Accounts; Discounted Notes; Dishonored Notes; Notes as Collateral; Problems.

Assignment. Chapters XXXVII and XXXVIII, with accompanying problem assignments.

SESSION 5. *Sales.* Classification of Sales; Analysis of Sales Returns; Returned Purchases; Sales to Branches; Consignment Sales, Instalment Sales, Sales on Future Delivery; Department Store Sales; C. O. D. Sales; Problems.

Assignment. Chapter XXXIX, with accompanying problem assignments.

SESSION 6. *Capitalization of Partnerships.* Original Contributions; Averaging Investments; Contributions and Loans; Borrowed Capital; Admission of New Partners; Consolidation of Partnerships; Partners' Loans in Relation to Firm Credit; Problems.

Assignment. Chapters XL and XLI, with accompanying problem assignments.

SESSION 7. *Partnership Profits and Summarizing Periods' Results.* Interest on Investment; Allowance for Salaries; Interest on Partners' Loans; Distributing Deficits; Adjustments; Summary Accounts; Balance Sheet; Working Sheet; Problems.

Assignment. Chapters XLII and XLIII, with accompanying problem assignments.

SESSION 8. *Partnership Dissolution.* Causes of Dissolution; Provisions Covering Liquidation; Distribution of Proceeds; Sharing Losses; Goodwill upon Liquidation by Sale; Problems; Examination on Chapters XXXI to XLIV.

Assignment. Chapter XLIV, with accompanying problem assignments. Use part of this session for quiz.

SESSION 9. *Accounting Records and Controlling Accounts.* Evolution of Analytical Journals; Subdivision of the Ledger; Types of Journals; Advantage of a Controlling Account; Debits and Credits to Controlling Accounts; Self-Balancing Subsidiary Ledgers; Problems.

Assignment. Chapters XLV and XLVI, with accompanying problem assignments.

SESSION 10. *Handling Controlling Accounts; The Corporation.* Introduction of Controlling Accounts; Principle Governing Content of Subsidiary Ledger; Advantages and Disadvantages of Corporations; Initial Acts of Incorporation; Special Accounting Records; Problems.

Assignment. Chapters XLVII and XLVIII, with accompanying problem assignments.

SESSION 11. *Opening and Closing Corporation Books.* Methods of Opening Corporation Books; Premium or Discount on Stock; Change from Partnership to Corporation; Current Records on Corporation Books; Distribution of Profits; Reserves; Problems.

Assignment. Chapter XLIX, with accompanying problem assignments.

SESSION 12. *Consignments.* Definition; Legal Status; Duties of the Factors; Account Sales; Compensation of Factor; Advantages of Consignments; Entries of Consignee and Consignor; Inventories of Consignee and Consignor; Problems.

Assignment. Chapter L, with accompanying problem assignments.

SESSION 13. *Approval Sales and Adventure Accounts.* Accounting for Approval Sales and Joint Venture Accounts; Distribution of Profits; Accounts Current; Adjusting the Current Account; Reconciliation of Bank Balance; Problems.

Assignment. Chapters LI and LII, with accompanying problem assignments.

SESSION 14. *Safeguarding Cash; Installment Sales and Balancing Methods.* General Principles of Safe-

guarding Cash; Separation of Installment from Regular Sales; Use and Procedure of Ledger Analysis; The Analysis Sheet; Reverse Posting System; Check Figures in Posting; Problems.

Assignment. Chapters LIII and LIV, with accompanying problem assignments.

SESSION 15. *Single Entry Bookkeeping*. Books Required and Methods of Record; Adaptation to Modern Needs; Proof of Posting; Balance Sheet and Determination of Profit; Opening Entries; Net Profits; Change from Single to Double Entry; Problems.

Assignment. Chapters LV and LVI, with accompanying problem assignments.

SESSION 16. *Some Phases of Interest*. Nature of Interest; Commercial Interest; Simple and Compound Interest; Average Due Date; Partial Payments; Bank and True Discount; Problems; Review.

Assignment. Chapter LVII, with accompanying problem assignment. Use part of this session for review in preparation for examination.

SESSION 17. *Final Examination*.

#### 4. Detailed Outline of Accounting 102, with Supplementary Problems

(See Detailed Outline of Accounting 101 for description of supplementary problem material.)

##### SESSION No. 1.

Review Exercise No. 102 (Th. p. 26) in class.

##### SESSION No. 2.

John G. Wilson Set. Transactions through January 31 explained and questions answered.  
Simple adjusting entries.

Home work: Transactions through January 31 entered and posted. Make trial balance.

##### SESSION No. 3.

No. 103 (Th. p. 27) to be done in class.

##### SESSION No. 4.

Quiz questions in Accounting Technique (Th. p. 28). (If thought desirable copies of the question sheets may be given to students at a previous session with instructions to study them. They should be able, however, to answer the questions without preparation.)

Simple adjusting entries continued. Depreciation defined.

Home work: J. G. Wilson Set. Statements, closing entries, posting of closing entries and ruling ledger; also proof trial balance.

(It would not be desirable to adopt Kester's method of handling prepaid and accrued expenses and income as given on pages 116, 117, 118, and 119. The Interest account on page 119 seems to be much overworked. It is used as an expense account, an asset account, and a liability account. The tendency of modern accounting is to limit the use of an account to one class of items.)

Home work: Kester, Chapters XIX, XX, and XXI.

##### SESSION No. 5.

Exercise No. 104 (Th. p. 29) in class. If exercises to be done in class cannot be finished in the time allotted, they may be taken up and returned to students to be completed at the next session.

##### SESSION No. 6.

J. G. Wilson Set passed in.

Controlling accounts, depreciation and reserves for depreciation. (See Typical Adjusting Entries (Th. p. 30), and Unit No. 1 (R and C, pp. 93-103).

Home work: Exercise No. 18, Unit No. 1 (R and C, p. 87). Kester, Chapter XXIX.

Chapter XXIX Kester, with some changes, should be studied. The changes recommended are as follows:

Page 224. Instead of charging all kinds of depreciation to a single account, charge each kind of depreciation to its own departmental expense account. In case there is no expense account to which it can be charged, a separate account should be opened under a name that describes that particular kind of depreciation.

Page 225. Expense paid in advance. Unexpired Insurance should be debited and Insurance credited from the following journal entry:

Unexpired Insurance.....	200
Insurance .....	200

The above are two distinct and separate accounts.

Another journal entry will be required later to close the Insurance account into Profit and Loss as follows:

Profit and Loss.....	475
Insurance .....	475

Page 226. Insurance Account.

Insurance	
January 2.....	125.00
April 10.....	250.00
August 15.....	300.00
	<hr/>
	675.00
December 31.....	200.00
December 31 to P & L.....	475.00
	<hr/>
	675.00

Insurance Unexpired	
December 31.....	200.00
	Profit and Loss
December 31.....	475.00

The same principles apply to accrued and prepaid items. Instead of posting assets or liabilities to expense accounts, there should be new accounts opened.

SESSION No. 7.

Review Exercise No. 15 (R and C, p. 65) to be done in class.

SESSION No. 8.

Exercise No. 18 passed in.

Chapters XIV and XV, Unit No. 1 (R and C, p. 99).

Exercise No. 17, Unit No. 1 (R and C, p. 85) taken up and discussed. In practice it is never necessary to make entries for more than one party to a transaction. For that reason it is recommended that the entries on the books of one party at a time be carried through the ten questions. Taking up the entries on the books of all the parties to these transactions at the same time is too difficult a proposition for the average Freshman.

Home work: Exercise No. 17, Unit No. 1 (R and C, p. 85).

SESSION No. 9.

Questions on No. 17 answered.

Exercise No. 105 (Th. p. 31), to be done in class.

SESSION No. 10.

No. 105 finished.

Partnership. What should the agreement contain?

Rights, duties, and liability of partners. Kind of partnership. Dissolution of partnership.

Students requested to provide themselves with blanks for the Wilson and Wheeler Practice Set, Unit No. 1 (R and C).

SESSION No. 11.

No. 107 (Th. p. 33).

This exercise should be done easily by the whole class in less than two hours.

Home work: Request students to read Kester, Chapter XXXII.

SESSION No. 12.

Depreciation, depreciation reserves and adjustments.

SESSION No. 13.

Exercise No. 110 (Th. p. 38), in class.

SESSION No. 14

Chapters XIV and XV, Unit No. 1 (R and C, p. 99).

No. 20 (R and C, p. 104), discussed.

Explain how to figure accrued interest.

Give notice of final examination at Session No. 16.

SESSION No. 15.

Preparation for final examination.

Review points likely to be covered in examination.

SESSION No. 16.

Final examination.

(It is suggested that only work with which the student is supposed to be familiar be covered in this examination. "Catch questions" and advance work cause low percentages, discourage the student, and reflect discredit upon the instructor. If thought advisable two examinations may be given to occupy two sessions; the first to be a problem similar to those already done in class; the second to consist of a series of questions to test the knowledge of general theory of accounts.)

## ACCOUNTING 201

### ACCOUNTING, THEORY AND PRACTICE

Based on

ACCOUNTING THEORY AND PRACTICE, VOLUME II, KESTER

SESSION 1. *The Corporation*. Accounting for Stocks; Classes of Corporations and Corporate Stock; Discount and Premium on Stock; Treasury Stock; Forfeited Stock; Special Corporation Books. Chapter 1.

SESSION 2. *Voucher Systems and Factory Costs*. Voucher Check; Operation of Voucher System; Material Cost; Direct and Indirect Labor; Manufacturing Expense. Chapters 2 and 3; Practice Data, No. 5.

SESSION 3. *The Balance Sheet and Principles of Valuation*. Purpose and Uses; Grouping and Classification; Supporting Schedules; Valuations; Capital and Revenue Expenditures; Replacement and Renewals; Practice Data, Nos. 6 and 7.

SESSION 4. *Aspects and Causes of Depreciation*. Repairs and Renewals; Depreciation and Depletion; Wear and Tear; Functional Depreciation; Obsolescence; Contingent Depreciation; Chapters 4 to 6; Practice Data, 8-9.

SESSION 6. *Depreciation—Appraisalment of Methods of Calculating and Accounting Aspects*. Methods—Proportional, Percentage, and Compound Interest; Depreciation and Secret Reserves; Appreciation. Chapters 7 to 13; Practice Data, Nos. 10, 11, 12.

SESSION 7. *Cash, Mercantile Credits and Merchandise Inventory*. Temporary Cash Disbursements; Cash

Held Abroad; Risk on Credit Losses; Valuation of Inventory; Perpetual Inventory; Chapter 14; Practice Data, Nos. 13 and 14.

SESSION 8. *Temporary Investments, Accrued and Deferred Items.* Nature and Valuation of Temporary Investments; Accounting for and Valuation of Accrued and Deferred Items; Danger of Over-Valuation. Chapter 15-16; Practice Data, Nos. 15 and 16.

SESSION 9. *Permanent Investments.* Nature and Valuation of Permanent Investments; Amortization of Bond Discount and Premium; Estimate of Depreciation; Valuation of Home-made Machinery. Chapters 17-18; Practice Data, Nos. 17 and 18.

SESSION 10. *Wasting and Intangible Assets.* Appreciation and Depreciation of Land Values; Characteristics of Wasting Assets; Depletion Charge; Patents; Copyrights; Good Will; Franchises. Chapters 19-20; Practice Data, Nos. 19 and 20.

SESSION 11. *Current, Contingent and Fixed Liabilities.* Loans and Accounts Payable; Notes and Drafts Transferred; Bonds; Mortgage Notes; Accounting for Bond Discount and Premium. Chapters 21-22; Practice Data, No. 21.

SESSION 12. *Capital Stock and Profits.* Kinds of Stocks; Kinds of Stock Values; Stock Discount and Premium; Treatment of Losses; Profit on Work in Process and Long Term Contracts. Chapter 23; Practice Data, No. 22.

SESSION 13. *Surplus and Reserves.* Disposition of Profits; Reserves for Bad Debts; Depletions and Contingencies; Secret Reserves; Use of Surplus Account; Statement of Surplus. Chapter 24; Practice Data, No. 25½.

SESSION 14. *Dividends.* Legal Aspects; Declaration and Revocation; Borrowing to Pay Dividends; Stock and Scrip Dividends; Liquidation Dividends; Chapter 25; Practice Data, No. 26½.

SESSION 15. *The Sinking Fund.* Origin and Use; Basic Mathematical Principles; Accounting for Sinking Fund; Final Disposition of Fund; Treatment of Sinking Fund Reserve; Chapters 26-27; Practice Data, Nos. 27 and 28.

SESSION 16. *Profit and Loss Summary.* Interrelation of Profit and Loss and Balance Sheets; Correction of Closing Errors; Standardization of Form; Account and Report Forms; Supporting Schedules. General Review.

SESSION 17. *Semester Examination.*

## ACCOUNTING 202

### ACCOUNTING THEORY AND PRACTICE

Based on

#### ACCOUNTING THEORY AND PRACTICE, VOLUME II, KESTER

SESSION 1. *Liquidation of a Corporation.* Reasons for Liquidation; Liquidation under Bankruptcy; Voluntary Dissolution and Receivership; Status for Creditors; Accounting for Liquidation; Chapter 28; Problems 1 and 2, Appendix B.

SESSION 2. *Combinations and Consolidations.* Types of Consolidation; Valuation of Constituent Companies; Earning Capacity; Payment of Amalgamated Interests; Good Will; Accounting Procedure. Chapter 29; Problems 3 and 4, Appendix B.

SESSION 3. *Domestic Branch Houses.* Agency and Branch Differentiated; Principles of Branch Accounting; Agency Accounts; Adjustments on Branch and Head Office Books; Reports from Branches; Chapter 30; Problems 5 and 6, Appendix B.

SESSION 4. *Foreign Branch Houses.* Accounting for Foreign Branch; Fluctuations in Foreign Exchange; Local Supervision of Foreign Branch; Foreign Sales and Purchasing Agencies. Chapter 31; Problem 7, App. B and 25, 26 and 27 App. C.



SESSION 5. *Suspense Accounts and Fire Losses*. Definition and Purpose of Suspense Accounts; Use of Suspense Ledger; Valuation of Fire Loss; Effect of Coinsurance Clause; Adjusting Entries for Fire Losses; Chapter 32; Problem 9, Appendix B.

SESSION 6. *Business Statistics; Private Books; Building Expenses and Income*. Railroad, Manufacturing and Mercantile Statistics; Use of Graphs; Operation of Private Books; Allocation of Building Expense; Chapter 33; Problem 10, Appendix B.

SESSION 7. *Consolidated Balance Sheet*. Use and Function; Intercompany Accounts; Valuation of Inventory; Showing of Capital Stock and Surplus; Consolidated Profit and Loss Statement; Chapter 39; Problems 11 and 12, Appendix B.

SESSION 8. *Accounts and Reports of Receivers and Trustees*. Initial Reports to Court; Statement of Affairs; Deficiency Account; Handling of Cash and Valuation Reserves in Realization and Liquidation Accounts; Chapter 35; Problems 16 and 22, App. B.

SESSION 9. *Condensed Balance Sheet and Income Statement*. Problem illustrating Use of Supporting Schedules in Condensed Statements, Reserves for Contingencies and Fire Loss Accounts. Practical Assignment: Problems 17 and 18, App. B; 15, App. C.

SESSION 10. *Surplus Statement and Adjusting and Closing Journal Entries*. Problems on Surplus Statement and Opening and Closing of Reserve Accounts. Problem 19, App. B.

SESSION 11. *Mergers, Fire Losses, and Preferred Stock*. Problem on Valuation of Good Will in Merger of Corporations; Problem on Calculation of Fire Loss and Effect on Books; Practice Assignment: Problems 20 and 21, Appendix B.

SESSION 12. *Insurance Policies and Reorganization of Corporation*. Problem showing Effect of Coinsurance Clause; Problem when Holders of Bonds, Preferred and Common Stock of Corporation in Financial Straits Agree on Reorganization. Problems 30, 31, App. C.

SESSION 13. *Branch Houses*. Problems on Domestic and Foreign Branch Houses showing Effect of Goods Billed to Branches at More Than Cost and the Handling of Rates of Foreign Exchange. Problems 23, 24, App. B; and 16, App. C.

SESSION 14. *Consolidation and Mergers*. Problems on Consolidated Balance Sheet with Intercompany Accounts, no minority interests; and on Merging Two Corporation with Resulting Journal Entries. Problems 17, 18, and 19, Appendix C.

SESSION 15. *Statement of Affairs and Efficiency Account*. Problems Showing Unsecured, Partly Secured, and Fully Secured Creditors in Statement of Affairs. Problems 25, 26, App. B; and 20, 21, App. C.

SESSION 16. *Realization and Liquidation Account*. Problems illustrating, both when Business is finally closed and when returned to Owners. Problems 22, 23, 24, App. C.

SESSION 17. *Examination*.

## SPECIALIZED ACCOUNTING 301 AND 302

Based on

### SPECIALIZED ACCOUNTING, NEWLOVE AND PRATT

LESSON 1. *Hotels, Garages, and Theaters*. Laws Affecting Innkeepers; Departmentalizing Business; Charts of Accounts; Audit; Problems.

LESSON 2. *Clubs and Restaurants*. Entrance and Annual Club Dues; Cost Records; Internal Check on Cash Receipts and Supplies; Audit; Problems.

LESSON 3. *Professional Firms*. Distinction between Earnings and Profits; Clients' Ledgers; Special Form of Income and Loss Statement; Audit; Problems.

LESSON 4. *Water Companies*. Natural Monopolies; Water Mains; Meters; Government Franchise; Government Regulations; Audit; Problems.

LESSON 5. *Electric Light Companies*. Governmental Franchise; Meters; Electrical Underground and Overhead Transmissions; Accounts Prescribed by Public Utilities Commission; Problems.

LESSON 6. *Gas Companies*. Method of Manufacturing Gas; Accounting for By-products; Accounts Prescribed by Public Utilities Commission; Audit; Problems.

LESSON 7. *Steam Railroads*. Interstate Commerce Commission; Road and Equipment Accounts; Accounts Prescribed; Classes of Accounts; Problems.

LESSON 8. *Steam Railroads (Continued)*. Relation of the Expense and Income Accounts to the Balance Sheet; Statements Required by Interstate Commerce Commission; Audit; Problems.

LESSON 9. *Electric Railroad Companies*. Franchise; Operations; Relation to Public Utilities Commission; Audit; Problems.

LESSON 10. *Steamship and Pipe Line Companies*. Maritime Insurance; Voyage Accounts; Relation to Interstate Commerce Commission; Audit; Problems.

LESSON 11. *Telephone, Telegraph, Sleeping Car, and Express Companies*. Accounts and Statements Prescribed by the Interstate Commerce Commission; Audit; Problems.

LESSON 12. *Government*. Accounting for Funds; Passing and Recording of Appropriations; Accounting Registers; Audit; Problems.

LESSON 13. *Government (Continued)*. Classes of Balance Sheets; Current Capital; Account for Special Trust Funds; Problems.

LESSON 14. *Government (Continued)*. Accounting for Revenue; Kinds of Taxes; Budgets; Accounting for Expenditures; Audit; Problems.

LESSON 15. *Universities and Schools*. Governmental Appropriations; Budgetary System; Handling of Depreciation; Audit; Problems.

LESSON 16. *Hospitals, Asylums, and Charities*. Free and Pay Hospitals; Classification of Accounts; Records of Gifts to Charities; Audit; Problems.

LESSON 17. *Final Examination*.

## CONSTRUCTIVE ACCOUNTING 303

Based on

R. D. WILLARD, C. P. A.

SESSION 1. Preliminary Discussion; General Discussion of System Work; Value of Systems in Business activity.

General Problems in Designing and Installing Systems; Requirements of the Business; Personnel of Organization.

*Reading Assignment*, Chapters 1, 2 and 3.

SESSION 2. Preliminary Investigation and Points to be Covered; Purchasing and Receiving; Production; Distribution.

Commercial Papers; Paper Making; Selection of Paper for System Requirements.

*Reading Assignment*, Chapters 4 and 5.

SESSION 3. Rulings; Method of Preparing Ruled forms; Suggestions as to Design.

Packford Auto Sales Company, General Conditions and Plan of Operation; Personnel; Arrangement of Plant.

*Reading Assignment*, Chapters 6 and 7.

- SESSION 4. Packford Auto Sales Company, Forms; Forms Used; Source of Entries.  
*Reading Assignment*, Chapter 8.
- SESSION 5. Packford Auto Sales Company, Assets and Liabilities; Function of Accounts; Preparation of Balance Sheet.  
Packford Auto Sales Company, Income Accounts; Function of Accounts; Preparing Profit and Loss Statements.  
*Reading Assignment*, Chapters 9 and 10.
- SESSION 6. Packford Auto Sales Company, Expense Accounts; Function of Accounts; Preparing Profit and Loss Statements; Test on Commercial Papers.  
*Reading Assignment*, Chapter 11.
- SESSION 7. General Plan for Central Grocery Company; Personnel; Method of Operation.  
Central Grocery Company, Forms; Forms Used; Source of Entries.  
*Reading Assignment*, Chapters 12 and 13.
- SESSION 8. Central Grocery Company, Assets and Liabilities; Function of Accounts; Preparation of Balance Sheet.  
Central Grocery Company, Income Accounts; Function of Accounts; Preparing Profit and Loss Statements.  
*Reading Assignment*, Chapters 14 and 15.
- SESSION 9. Central Grocery Company, Expense Accounts; Function of Accounts; Preparing Profit and Loss Statements; Test on Packford Automobile Set.  
*Reading Assignment*, Chapter 16.
- SESSION 10. General Plan for the Boylston Club; Discussion of General Club and Hotel Accounting; Outline of Personnel and Operation.  
Boylston Club, Forms; Forms Used; Source of Entries.  
*Reading Assignment*, Chapters 17 and 18.
- SESSION 11. Boylston Club, Assets and Liabilities; Function of Accounts; Preparation of Balance Sheet.  
Boylston Club, Income Accounts; Function of Accounts; Preparation of Operating Statements.  
*Reading Assignment*, Chapters 19 and 20.
- SESSION 12. Boylston Club, Expense Accounts; Function of Accounts; Preparation of Operating Statements.  
Central Leather Company, General Plan and Operation of Accounts; Features peculiar to System Designed for Leather Company; Distribution of Purchases and Sales by Departments.  
*Reading Assignment*, Chapters 21, 22 and 23.
- SESSION 13. Institutional Accounting; Endowed Institutions; Other Institutions.  
General Plan of the Bay State Hospital; Method of Accounting; Control.  
*Reading Assignment*, Chapters 24 and 25.

SESSION 14. Bay State Hospital, Forms; Forms Used; Source of Entries.

Bay State Hospital, Assets and Liabilities; Treasurer's Ledger; Superintendent's Ledger; Preparation of Statements.

*Reading Assignment*, Chapters 26, 27 and 28.

SESSION 15. Bay State Hospital, Operating Accounts; Function of Accounts; Preparation of Accounts.

Bay State Hospital, Distribution; General Problems of Distribution; Methods Used to Distribute Expense.

*Reading Assignment*, Chapters 29, 30, 31 and 32

SESSION 16. Bay State Hospital, Reports; Preparation of Annual Reports; Discussion of Use to be Made of Information Contained in Reports; Test on Bay State Hospital.

## BRIEF OUTLINE OF ACCOUNTING 304, COST ACCOUNTING

Based on

COST ACCOUNTING PRINCIPLES AND PRACTICE, JORDAN AND HARRIS

SESSION 1. *What Cost Accounting Is, and Cost Components; Relation between Cost Accounting and General Accounting.* Advantages of a Cost System; Objections Raised against a Cost System; Cost Concepts; Cost Defined; Cost Components.

*Assignment.* Chapters 1 and 2.

SESSION 2. *Establishing the Basis of Cost Methods of Controlling Costs and Mechanism of Cost Control.* Importance of Establishing the Proper Basis of Cost; Examples of Different Bases of Cost Selected from Basic Industries; Need for More Than One Basis Before Arriving at Final Cost; Definition of a Control Account; Classes and Examples of Control Accounts; Meaning of Control and Analysis; Uses of Control Accounts; Meaning of Mechanism of Cost Control. Classes of Orders; Technique of Voucher Register and Analysis Sheets; Handling of Expense Ledger Items; Records of Original Control for Flow of Material and for Flow of Labor; Accumulations Made for Journal Entries; Direct Cost Sheets; Financial Statements.

*Assignment.* Chapters 3, 4 and 5. (*Problems in Preparation to Accompany Each of the Technical Chapters.*)

SESSION 3. *Departmentalization Orders and Symbols.* Importance of and Matters to Be Considered in Departmentalization; Classes of Departments; Importance of Orders and Symbols; Classes of Orders; and Sample Code of Orders.

*Assignment.* Chapters 6 and 7.

SESSION 4. *Purchasing and Receiving Records and Transportation Charges.* Classes of Purchases; Technique Involved in Using Various Forms for Purchases and Receipts; Accounting for Various Classes of Transportation Charges.

*Assignment.* Chapters 8 and 9.

SESSION 5. *Stock Record Accounting.* Technique of Modern Stock Record; Value of Specifications; Methods of Recording Consumption of Material; Ways of Pricing Material Requisitions.

*Assignment.* Chapters 10, 11 and 12.

SESSION 6. *Stock Limits and How to Take Inventory.* Importance and Ways of Calculating Stock Limits; Duplicate Tag Method of Taking Inventory.

*Assignment.* Chapters 13 and 14.

SESSION 7. *Labor Accounting.* Labor Accounting on Time Cards and Payroll Sheets; Special Features of Labor Accounting.

*Assignment.* Chapters 15 and 16.

SESSION 8. *Burden Accounting.* Obsolete Methods of Handling Burden; Steps in Departmental Burden Rate Method; Bases for Distribution of Expense and Burden.

*Assignment.* Chapters 17 and 18.

SESSION 9. *Drafting of Ledger Journal Entries and Sample Journal Entries and Accounts.* How to Prepare Journal Entries for Purchases, Sales; Labor and Material Used and Orders Completed.

*Assignment.* Chapters 19 and 20.

SESSION 10. *Statements.* Classes of Statements; Proving of Data in Statements; Structure of Statements; Preparation of Statements; Importance of Proper Presentation; Managerial Uses of Data in Statements.

*Assignment.* Chapters 21, 22 and 23.

SESSION 11. *Classes of Cost Systems.* Chief Types of Cost Systems; Where They Are Applicable and Chief Accounting Features; Stocking Points; Sample Cost Sheets.

*Assignment.* Chapter 24.

SESSION 12. *By-Products and Defective Work.* Why By-Product Accounting Is Difficult; Different Ways of Accounting for By-Products and Advantages and Disadvantages of Each; Classes of Defective Work; Analyzing Its Causes; Defective Work as Burden or as a Direct Cost.

*Assignment.* Chapters 25 and 26.

SESSION 13. *Installing Cost Systems.* Importance of and Kind of Propaganda; Classes of Controls; Chief Features to Be Taken Care of in Controls. Subsidiary Factory Ledger.

*Assignment.* Chapter 26.

SESSION 14. *Philosophy of Costs—Tool Records, Advantages of Stock Records, Under and Over-absorbed Burdens, Idle Equipment Delays.* Double Tool Check System and Other Chief Tool Records; Advantages of Stock Records; Relations between Columns of a Modern Stock Record; Running Totals; Money Values on Stock Records; Old and Modern Methods of Treating Over and Under-absorbed Burden; Causes of Idle Equipment; Ways of Treating Idle Equipment; Idle Machine Cards and Reports.

*Assignment.* Chapters 28, 29, 30 and 31.

SESSION 15. *Cost Philosophy Methods of Applying Burden and Interest as a Cost.* Advantages and Disadvantages of Chief Methods of Applying Burden; Ways of Booking; Interest on Invested Capital; Arguments for and Against Including Interest on Invested Capital in Costs.

*Assignment.* Chapters 32 and 33.

SESSION 16. *Mechanical Devices, Graphic Production Control, Relation of Cost Accounting to Management and Recent Developments in Cost Accounting.* Importance of Mechanical Devices; Classes; Their Operation and Use; What Graphic Production Control Is; Superiority of Production Control to Post-Mortem Control; Need of Coordination between Factory and Office; Cost Accountant Best Fitted Employee to Bring About Coordination; Qualities of a Successful Cost Accountant; Development of Uniform Cost Systems; Objects of National Association of Cost Accountants.

*Assignment.* Chapters 35, 36 and 37.

## INCOME TAX 305

Based on

INCOME AND PROFITS TAX, CLABAUGH

LESSON 1. *History and Introduction.* Inception of Law; Changes in Law; Effect of Previous Law on Present Tax Procedure.

LESSON 2. *Income.* Net Income; Gross Income; Accounting for Same; Compensations; Rents and Royalties; Interest; Dividends; Annuities and Insurance.

LESSON 3. *Incomes.* Sales; Exchanges; Business Income; Farmers' Income.

LESSON 4. *Deductions and Exclusions.* Business Expenses; Interest; Taxes; Losses; Contributions; Non-deductible Items; Exclusions, (a) Insurance, (b) Gifts; Farmers' Deductions.

LESSON 5. *Deductions.* Depreciation and Depletion Generally; Mines; Oil and Gas Wells; Timber.

LESSON 6. *Corporate Income.* Items Not Income; Donations; Interest; Insurance Companies.

LESSON 7. *Persons Differentiated.* Person Defined; Fiduciaries; Estates and Trusts; Partnerships; Associations; Personal Service Corporations; Exempt Corporations; Foreign Governments; States.

LESSON 8. *Aliens and Foreign Corporations.* Residence; Non-residence; Income Taxable.

LESSON 9. *The Tax.* Individual Normal Tax; Credits and Exemptions; Surtax; Fiscal Years; Corporation Income Tax; Excess Profits Tax; Credits; Limitations.

LESSON 10. *Invested Capital.* Tangible and Intangible Property; Inadmissible Assets; Adjustments; Stock Paid-in; Surplus and Undivided Profits; Adjustments; Changes in Invested Capital; Averaging.

LESSON 11. *Returns.* Individuals; Partnerships; Fiduciaries; Corporations; Consolidated Returns.

LESSON 12. *Payment.* Time for Payment; Penalties; Enforcement; Credits for Taxes.

LESSON 13. *The Source.* Withholding at Source; Information at Source; Inspection of Returns.

LESSON 14. *Matters Partially Obsolete.* War Profits Tax; Credit Pre-war Period; Government Contracts; Amortization; Inventory Losses and Rebates; Net Losses.

LESSON 15. *Capital Stock Tax.* Corporations Liable; Basis of Tax; Returns; Payments.

LESSON 16. *Review.*

LESSON 17. *Final Examination.*

## ADVANCED ACCOUNTING THEORY AND AUDITING 401 AND 403.

Based on

THEORY AND AUDIT-ING, NEWLOVE, C. P. A.

LESSON 1. *Field of Accounting.* Bookkeeping; Accounting; Auditing; Duties of Auditor; Moral Responsibilities; Internal Check; Safeguarding Cash; Safeguarding Material.

LESSON 2. *Double Entry Bookkeeping.* Accounts; Suspense Accounts; Major Accounts; Personal and Impersonal Accounts; Collector's Accounts; Controlling Accounts; Trial Balance; Journal Entries; Classes of Ledgers; Classes of Journals; Voucher System.

LESSON 3. *Balance Sheet.* Definition; Different from Trial Balance; Balance Account; Form and Content; Kinds of Assets; Classification of Liabilities; Accrued Items; Deferred Items; Contingent Assets and Liabilities; Vested Proprietorship Accounts.

LESSON 4. *Profit and Loss Statement.* Definition; Trade Account; Profit and Loss Account; Fixed Charges; Manufacturing Statement; Net and Gross Profits; Revenue Expenditures; Capital Expenditures.



LESSON 5. *Partnership and Organization*. Definition; Limited Partnership; Joint Stock Company; Opening of Books; Partnership and Corporation Books; Partnership Agreement; Distinctive Elements in Auditing Partnership.

LESSON 6. *Partnership During Operation*. Adjustment of Partner's Account; Interest on Investments; Interest on Drawings; Partners' Salaries; Distribution of Profit Accrued from Initial, Average, and Net Capital.

LESSON 7. *Partnership at Dissolution*. Effect of Death of Partner When no Articles of Co-partnership; Ways of Terminating Partnership; Partners; Loans at Time of Dissolution; Legal Partnerships by Installments.

LESSON 8. *Corporation Stocks*. Definition; Close; Corporation; Opening Corporation Books; Special Corporate Books; Classes of Stock; Organization and Expense; Subscriptions; Forfeiting Stock.

LESSON 9. *Interest*. Simple Interest; Discount; Bond Interest; Annuity; Amortization; Present Worth of Future Sums; Present Worth of Annuities; Amount of Annuities.

LESSON 10. *Reserves and Funds*. Classes of Reserves; Operation; Place on Balance Sheet; Secret Reserves; Definition of Funds; Reserve Fund Accounts; Entries for Sinking Funds.

LESSON 11. *Corporation Bonds*. Definition; Treasury Bonds; Bonds Used as Collateral; Classes of Bonds; Bonds; Discount on Premium; Valuation of Bonds; Verification of Bonds.

LESSON 12. *Dividends and Surplus*. Nature of Dividends; Accounts; Kinds of Dividends; Arrears of Accumulated Dividends; Dividends Paid Out on Capital; Unclaimed Dividends; Surplus Defined; Private Account.

LESSON 13. *Trading Accounts*. Turnover; Guarantees; Perpetual Inventories; Old Merchandise Account; Selling Expenses; Trade Discounts; Cash Discounts on Sales and Purchases; C. O. D. Sales; Installment Sales; Approval Sales.

LESSON 14. *Insurance and General Expense*. Unexpired Insurance Account; Co-insurance Clause; Calculation of Loss in Case of Fire; Life Insurance; Pay Roll; Administration; Taxes; Adjusting and Closing Entries.

LESSON 15. *Depreciation*. Definition; Cause; Handling on Books; Effect of Depreciation on Business; Depreciation Reserves; Rates of Depreciation; Methods of Computing Depreciation.

LESSON 16. *Manufacturing Accounts*. Elements of Manufacturing; Cost; Cost Records; Manufacturing Inventories; Raw Material; Goods and Process; Finished Goods; Wages; Indirect Charges; Distribution of Overhead.

LESSON 17. *Final Examination*.

## ADVANCED ACCOUNTING THEORY AND AUDITING 402 AND 404

Based on

THEORY AND AUDIT-ING, NEWLOVE, C. P. A.

LESSON 1. *Cash*. Internal Check on Cash; Auditing Cash Under Suspicion; Bank Balances; Cash Receipts; Cash Payment; Petty Cash Fund; Cash Books.

LESSON 2. *Notes, Mortgages, and Liens*. Entries for Notes Receivable; Audit of Notes Receivable; Notes Receivable Discounted; Classification of Audit of Notes Payable; Merchandise Coupons; Accommodation Papers; Marks; Foreign Exchange.

LESSON 3. *Personal Accounts*. Audit and Valuation of Accounts Receivable; Responsibility of Auditor; Classes of Accounts Receivable; Accounts Receivable; Deferred Accounts; Accounts; Verification of Accounts Payable.

LESSON 4. *Verification of Real Estate.* Plant Account; Verification of Buildings; Valuation of Machinery; Machinery Built by Plant; Repairs; Renewals and Alterations; Construction; Appreciation.

LESSON 5. *Contingent Assets, and Goodwill.* Definition; Goodwill as an Asset; Valuation of Goodwill; Patents; Leaseholders; Copyrights; Formulas.

LESSON 6. *Mergers and Consolidation.* Definition of a Merger; Definition of Amalgamation; Valuation of Consolidation; Apportionment of Stock; Importance of Goodwill in Mergers.

LESSON 7. *Holding Companies.* Definitions; Theory and Use of Consolidating Balance Sheet; Inter-company Holdings; Subsidiary Stock Held at Other Than Par; Valuation of Inventories; Minority Stockholders.

LESSON 8. *Receiverships.* What Is a Receiver; How Appointed; First Duties; Asset Accounts; Definite Statement of Receivers; Audit of Receiver's Books.

LESSON 9. *Statement of Affairs and Efficiency Accounts.* Definitions; Use of Statement of Affairs; Unsecured, Partly Secured, and Secured Liabilities; Preferential Liabilities; Form and Use of Deficiency Account.

LESSON 10. *Realization and Liquidation Account.* Defined; Purpose; Sources of Information.

LESSON 11. *Executors and Administrators.* Assets of An Estate; Intermediate Accounts; Final Accounting; Books Kept by Executors; Differentiation between Principal and Income; Audit of Executor's Accounts.

LESSON 12. *Scope of Audit.* Kinds of Audit; Detailed Audits, Scope of Balance Sheet; Audit Continuance; Audit Examinations Defined; Investigation for Credit Purpose; Examination in Case of Sale.

LESSON 13. *Audit Procedure.* First Steps in an Audit; Importance of Knowledge of Industry; Analysis of Accounts; Audit Programs; Audit for Fraud; Audit of Normal Accounts; Audit of Real Accounts; Working Papers.

LESSON 14. *Auditor's Reports and Certificates.* Details Placed in Reports; Reports in Cases of Fraud; Certified Balance Sheets; Qualified Certificates; Essentials of Auditing Certificates; Use of Business Statistics.

LESSON 15. *Consignments, Contracts, and Ventures.* Consignment Accounts; Completed Contracts; Profits on Uncompleted Contracts; Contingent Liability on Contracts; Joint Venture Defined; Purpose and Use of Joint Venture Account.

LESSON 16. *Single Entry Bookkeeping.* Difference between Single and Double Entry Bookkeeping; Changing from Single to Double Entry Bookkeeping; Calculation of Profits; Audit of Single Entry Books.

LESSON 17. *Final Examination.*

## BUSINESS LAW 121

SUBJECTS: GENERAL SURVEY; CONTRACTS; AGENCY

TEXT: BOOK I, AMERICAN COMMERCIAL LAW SERIES, BAY

(Revised Y. M. C. A. Edition—Callaghan & Co., 401 East Ohio Street, Chicago, Ill.)

### A. GENERAL SURVEY.

SESSION 1. *Law defined and classified:* the branches of law; written and unwritten law; the judicial system; agencies for the administration of law.

*Assignment:* Bays, Book 1, General Survey, Chapters 1 to 5.

### B. CONTRACTS.

SESSION 2. *Definition and Classification:* parties to contracts; competency of minors and other parties.

*Assignment:* Book 1, Contracts, Chapters 1 and 2.

SESSION 3. *Offer and acceptance*: necessity of, what constitutes; termination and lapse of offer; what constitutes acceptance.

*Assignment*: Book 1, Contracts, Chapter 3.

SESSION 4. *Validity of Assent* in offer and acceptance; mistake; fraud, duress; undue influence.

*Assignment*: Book 1, Contracts, Chapter 4.

SESSION 5. *Consideration*: necessity of; what constitutes.

*Assignment*: Book 1, Contracts, Chapter 5.

SESSION 6. *Legality of Contract*: various sorts of illegal agreements; effects of illegality.

*Assignment*: Book 1, Contracts, Chapter 6.

SESSION 7. *Form and Evidence of Contracts*; oral, implied and written contracts, statute of frauds.

*Assignment*: Book 1, Contracts, Chapter 7.

SESSION 8. *Construction of Contracts*: general rules; time of performance; liquidated damages and penalties.

*Assignment*: Book 1, Contracts, Chapters, 8, 9 and 10.

SESSION 9. *Operation of Contracts*: beneficiaries, and assignees.

*Assignment*: Book 1, Contracts, Chapters 11, 12, 13 and 14.

SESSION 10. *Discharge of Contracts*: performance, tender, breach.

*Assignment*: Book 1, Contracts, Chapter 15.

SESSION 11. *Other methods of discharge: remedies*.

*Assignment*: Book 1, Contracts, Chapters 16 and 17.

### C. AGENCY.

SESSION 12. *Definitions and distinctions*: who may be principal and agent: the appointment; ratification.

*Assignment*: Book 1, Agency, Chapters 1, 2 and 3.

SESSION 15. *Liability*: of third persons to principal; of agents and third persons as to each other.

*Assignment*: Book 1, Agency, Chapters 4 and 5.

SESSION 14. *The authority of the agent*: torts of agents, undisclosed principals.

*Assignment*: Book 1, Agency, Chapters 6, 7 and 8.

SESSION 15. *Liability*: of third persons to principal; of agents and third persons as to each other.

*Assignment*: Book 1, Agency, Chapters 9 and 10.

SESSION 16. *Classes of Agents; termination of agency*.

*Assignment*: Book 1, Agency, Chapters 11, 12 and 13.

## LAW 122

### PARTNERSHIPS AND CORPORATIONS

TEXT: BOOK II, AMERICAN COMMERCIAL LAW SERIES, BAY

(Revised Y. M. C. A. Edition—Callaghan & Co., 401 East Ohio St., Chicago, Illinois.)

### A. PARTNERSHIPS.

SESSION 1. *Definition and general nature of partnerships*: how partnerships differ from other relationships; kinds of partners and partnerships.

*Assignment*: Book 2, Partnerships, Chapter 1.

SESSION 2. *The Partnership agreement, name, capital and property*: Articles of partnership; what name may consist of; what constitutes capital and property; partners interest therein.

*Assignment*: Book 2, Partnerships, Chapters 2 and 3.

SESSION 3. *Mutual Rights and Obligations of partners*: Rights to compensation, interest, participation; duties.

*Assignment*: Book 2, Partnerships, Chapters 4 and 5.

SESSION 4. *Partnerships and third persons*: power of partner to bind firm; nature of liability to creditors; remedies of creditors.

*Assignment*: Book 2, Partnerships, Chapters 6 to 9.

SESSION 5. *Dissolution and winding up*: Various ways and causes of dissolution; liquidation and distribution of assets; *Limited Partnerships*.

*Assignment*: Book 2, Partnerships, Chapters 10 to 13.

## B. CORPORATIONS.

SESSION 6. *Definition and Nature of Corporations*: reasons for incorporation; kinds of corporations.

*Assignment*: Book 2, Corporations, Chapter 1.

SESSION 7. *The formation of the corporation*: the charter; its nature; whether to incorporate; where to incorporate; obtaining charter; organization; corporate books; promoters of corporations.

*Assignment*: Book 2, Corporations, Chapters 2, 3 and 4.

SESSION 8. *Stock and stockholders*: Definition and kinds of stock; subscription thereto; payment for stock, rights of stockholder, stockholders' meetings; transfer of stock; dividends.

*Assignment*: Book 2, Corporations, Chapters 5 to 11.

SESSION 9. *Directors and officers of corporations*: the board of directors; their responsibilities and powers; powers and duties of various officers of the corporation.

*Assignment*: Book 2, Corporations, Chapters 12 and 13.

SESSION 10. *Creditors of corporations*: Forms of indebtedness; note and bond issues; insolvent corporations.

*Assignment*: Book 2, Corporations, Chapters 14 and 15.

SESSION 11. *Powers of Corporations*: classified; particular powers considered; doctrine of ultra vires.

*Assignment*: Book 2, Corporations, Chapters 16 and 17.

SESSION 12. *Foreign Corporations*: Definition; rights; what is transacting business under foreign corporation statutes.

*Assignment*: Book 2, Corporations, Chapter 18.

SESSION 13. *Trusts and Monopolies*: Winding up corporations.

*Assignment*: Book 2, Corporations, Chapters 19 and 20.

SESSION 14. *Public Service Corporations*: Kinds and characteristics.

*Assignment*: Book 2, Corporations, Chapter 21.

SESSION 15. *Duties of public service corporations*.

*Assignment*: Book 2, Corporations, Chapter 22.

SESSION 16. *Non-stock corporations*: Massachusetts trusts.

*Assignment*: Book 2, Corporations, Chapters 23 and 24.

SESSION 17. Final examination.

## LAW 221

SUBJECTS: BAILMENTS AND CARRIERS, SALES, NEGOTIABLE PAPER, BANKS, SURETYSHIP.

TEXT: BOOK III, AMERICAN COMMERCIAL LAW SERIES, BAY

(Revised Y. M. C. A. Edition—Callaghan & Co., 401 East Ohio St., Chicago, Illinois.)

### A. BAILMENTS AND CARRIERS.

SESSION 1. *Bailee defined*: Classes of bailees; rights and liabilities, bills of lading and warehouse receipts.

*Assignment*: Book 3, Sales, Chapters 1 to 4. (Note: It will probably be necessary to extend this lesson into the next.)

### B. SALES OF PERSONAL PROPERTY.

SESSION 2. *Definitions*: parties; subject matter; price; form.

*Assignment*: Book 3, Sales, Chapters 5 and 6.

SESSION 3. *Warranties*: express and implied warranties.

*Assignment*: Book 3, Sales, Chapter 7.

SESSION 4. *Transfer of title*: rules governing.

*Assignment*: Book 3, Sales, Chapter 8.

SESSION 5. *Title and third persons*: fraudulent transfers.

*Assignment*: Book 3, Sales, Chapter 9.

SESSION 6. *Performance*: acceptance; remedies.

*Assignment*: Book 3, Sales, Chapters 10, 11 and 12.

### C. NEGOTIABLE PAPER.

SESSION 7. *General Nature and History*: The various forms of negotiable instruments described; instruments not negotiable.

*Assignment*: Book 3, Negotiable Paper, Chapters 1, 2, 3.

SESSION 8. *Formal requisites*: enumerated and discussed.

*Assignment*: Book 3, Negotiable Paper, Chapter 4.

SESSION 9. *Formal requisites continued*: provisions not affecting negotiability.

*Assignment*: Book 3, Negotiable Paper, Chapter 5.

SESSION 10. *Execution and delivery*: consideration; acceptor; accommodation and honor parties.

*Assignment*: Book 3, Negotiable Paper, Chapters 6, 7, 8, 9.

SESSION 11. *Negotiation*: meaning and manner of.

*Assignment*: Book 3, Negotiable Paper, Chapter 9.

SESSION 12. *Holder in due course*: who is, rights of.

*Assignment*: Book 3, Negotiable Paper, Chapters 10, 11, 12.

SESSION 13. *Liabilities of parties; procedure: presentment for payment*.

*Assignment*: Book 3, Chapters 13 and 14.

SESSION 14. *Procedure continued*: Notice of dishonor; protest, discharge.

*Assignment*: Book 3, Chapters 15, 16 and 17.

### D. BANKS.

SESSION 15. *Selected topics*.

*Assignment*: Book 3, Negotiable Paper, Added Chapter 18.

## E. SURETYSHIP.

SESSION 16. *Selected topics.*

*Assignment:* Book 3, Negotiable Paper, Added Chapter 19.

## LAW 222.

### PROPERTY (INCLUDING ESTATES AND WILLS); BANKRUPTCY AND DEBTOR AND CREDITOR

TEXT: BOOK IV, AMERICAN COMMERCIAL LAW SERIES, BAY

(Revised Y. M. C. A. Edition—Callaghan & Co., 401 East Ohio St., Chicago, Illinois.)

#### A. PROPERTY (INCLUDING ESTATES AND WILLS)

SESSION 1. *Property defined and classified:* history, real and personal property, law of fixtures.

*Assignment:* Book 4, Property, Chapters 1 to 5.

SESSION 2. *Acquisition of title to personal property:* various ways of acquiring title.

*Assignment:* Book 4, Property, Chapter 6.

SESSION 3. *Estates in real property:* Fee simple; life estates; landlord and tenant.

*Assignment:* Book 4, Property, Chapters 7, 8, 9, 10 and 11.

SESSION 4. *Estates continued:* remainders and reversions; executory devises several and joint estates; uses and trusts.

*Assignment:* Book 4, Property, Chapters 12, 13 and 14.

SESSION 5. *Mortgages:* Early and present views; formation; assignment; redemption; foreclosure.

*Assignment:* Book 4, Property, Chapters 15 and 16.

SESSION 6. *Rights in another's land:* easements, profits and licenses.

*Assignment:* Book 4, Property, Chapters 17 and 18.

SESSION 7. *Title by prescription, adverse possession and deed.*

*Assignment:* Book 4, Property, Chapters 19 to 23.

SESSION 8. *Title by descent and devise:* Rules of descent; wills; validity of; construction of; revocation of.

*Assignment:* Book 4, Property, Chapters 24 and 25.

SESSION 9. *Administration of estates.* The court of probate; petition for letters; inventories; claims; accounts and reports; settlement of distribution.

*Assignment:* Book 4, Property, Chapter 26.

SESSION 10. *Conveyancing:* Contracts to sell real estate; abstracts of title; guaranty policies; Torrens titles; remedies.

*Assignment:* Book 4, Property, Chapter 27.

#### B. BANKRUPTCY

SESSION 11. *History and Purpose of Bankruptcy Law:* who may be bankrupt; who petitioning creditor; acts of bankruptcy.

*Assignment:* Book 4, Bankruptcy, Chapters 1 to 4.

SESSION 12. *Receiver and trustee in bankruptcy:* Nature of offices; to what property trustee takes title; liens.

*Assignment:* Book 4, Bankruptcy, Chapters 5 and 6.

SESSION 13. *Claims*: What claims provable; proof of; contest of; various kinds of; dividends; compositions.

*Assignment*: Book 4, Bankruptcy, Chapter 7.

SESSION 14. *The duties and rights of the bankrupt*: his exemptions; discharge.

*Assignment*: Book 4, Bankruptcy, Chapters 8 and 9.

### C. DEBTOR AND CREDITOR

SESSION 15. *The nature, kinds and forms of indebtedness; liens*.

*Assignment*: Book 4, Bankruptcy, Added Chapter 10.

SESSION 16. *Remedies of Creditor*: suit at law; attachment; garnishee of trustee process; fraudulent conveyances; discharge of indebtedness by payment; law of tender; interest; costs of suit, etc.

*Assignment*: Book 4, Bankruptcy, Added Chapter 11.

### BUSINESS ECONOMICS 131

Based on

OUR ECONOMIC ORGANIZATION, MARSHALL & LYON (The MacMillan Company of New York.)

LESSON 1. Our Wants and the Goods That Gratify Them. Our Social Resources and Our Economic Organization, pp. 1-24.

LESSON 2. The Functioning Structure of Mediæval Industrial Society: The Self-sufficing Mediæval English Manor, Mediæval Towns and Manufactures, pp. 25-55.

LESSON 3. The Functioning Structure of Mediæval Industrial Society: The Beginning of Co-operation through Exchange. The Beginnings of Capitalistic Agriculture and Manufacture, pp. 56-87.

LESSON 4. The Rise of the Modern Organization of Trade and Commerce. The Industrial Revolution: The Rise of Machine Industry, pp. 88-126.

LESSON 5. The Specialization of Business Units. Specialization within Business Units, pp. 127-128.

LESSON 6. Territorial Specialization. Review, pp. 149-158, Advance 159-191.

LESSON 7. An Evaluation of Specialization. Review from pp. 127, Advance pp. 192-206.

LESSON 8. Machine Industry—An Example of Modern Technology, pp. 207-234.

LESSON 9. Machine Industry and Indirect Costs. The Size of Maximum Efficiency of the Business Unit. Review from page 231, Advance pp. 235-267.

LESSON 10. The More Usual Types of Business Units. Concentrated Control, Combinations, and Monopolies, pp. 268-296.

LESSON 11. The Guidance of Economic Activity, pp. 297-334.

LESSON 12. The Work of Money in Economic Organization. Review previous lesson, Advance, 335-353.

LESSON 13. Financial Institutions and Financial Organization. The Tasks of the Business Enterpriser in Meeting Risks, pp. 354-384.

LESSON 14. Internal Business Organization and Effective Utilization of Productive Resources, pp. 385-418.

LESSON 15. The Wise Utilization of Natural Resources, pp. 419-454.

LESSON 16. The Wise Utilization of Human Resources. Planning, Guiding, and Controlling, pp. 455-489.

LESSON 17. The Examination.

Experience has indicated that it is useful for the instructor to assign questions in advance rather than to make a general assignment of the questions. The most important material for the typical student is studies, I and II, and VII and XXII inclusive.

## MONEY AND BANKING 132

TEXT: FINANCIAL ORGANIZATION, MOULTON (The University of Chicago Press.)

LESSON 1. The Nature and Functions of a Pecuniary Unit. The Standard for Deferred Payments. Other Functions and Services of Money—pages 1-52.

The most important supplementary reading; in Chapter II, Phillips, Reading in Money and Banking, Chaps. I and II; in Chapter III—Scott, Money and Banking, Chaps. III. and IV; in Chapter IV—Holdsworth, Money and Banking, Chap. I.

The most important questions on Chapter II are the following: 1, 2, 7, 8, 14, 17. On Chapter III, Nos. 2, 6, 9, 15, 23, 31, 34, 35, 36, 38; in Chapter IV, Nos. 2, 4, 5, 15.

LESSON 2. The Pecuniary System and Economic and Social Standards. The Regulation of Metallic Currency. The Regulation of Government Paper Currency—pages 65-106.

The most important supplementary readings; in Chapter VI—Holdsworth, Money and Banking, Chap. III; in Chapter VII—Moulton, Principles of Money and Banking, Pt. I, Chapter V.

The most important questions on Chapter VI are the following: 5, 6, 7, 8, 14, 15, 16, 21, 23, 24, 25, 26, 36, 37, 38, 40, 41, 43; in Chapter VII—Nos. 1, 5, 7, 16, 18, 19, 20.

LESSON 3. The Foreign Exchanges. The Nature and Functions of Credit. The Modern Financial Structure. The Corporation as a Device for Raising Capital—pages 107-150.

The most important supplementary reading; in Chapter VIII—Phillips, Readings in Money and Banking, Chaps. XVII and XVIII; in Chap. IX—Prendergast, Credit and Its Uses, Chaps. I and II.

The most important questions on Chapter VIII are the following: 2, 3, 5, 6, 8, 9, 10, 11, 12, 17, 18, 23, 24; on Chapter IX—Nos. 1, 7, 9, 10, 15, 16, 17, 18, 20, 21, 22, 23, 28, 29, 30. On Chapter X there are no specific questions, but the instructor should go over the diagram with the students in order to give them a bird's-eye view of the financial system and to indicate in a general way the connections and interrelations that exist; on Chapter XI, Nos. 2, 3, 4, 5, 6, 8, 9, 19.

LESSON 4. Credit Instruments—pages 151-184.

The most important supplementary reading; in Chapter XII—Prendergast, Credit and Its Uses, Chaps. III-VII.

The most important questions on Chapter XII are the following: 1, 3, 4, 6, 7, 8, 9, 13, 15, 16, 18, 19, 20, 22, 24, 26, 27, 28, 29, 31, 32, 33, 37, 38, 40, 43, 46, 47, 49, 50, 51, 52, 53, 55, 57, 58, 59.

LESSON 5. The Marketing of Low-Grade Securities. The Marketing of High-Grade Securities—pages 185-255.

The most important supplementary reading; on Chapter XIV—Lyon, Corporation Finance, Chaps. II and III.

The most important questions on Chapter XIII are the following: 1, 2, 3, 4, 5, 6, 8, 9, 12, 15, 16, 17, 21, 22, 25; on Chapter XIV, Nos. 7, 13, 15, 16, 19, 20, 21, 24, 28, 29, 31, 34, 40, 42, 43, 47, 48.

Note:—If time presses, Chapter XIII may be very briefly discussed.

LESSON 6. Foreign Investment Trusts. The Stock Exchange and Capital Raising—pages 256-300.

The most important supplementary reading; on Chapter XVI—Conant, Wall Street and the Country.

Pages 256-260 of Chapter XV indicate the nature of the problem of marketing securities in foreign countries and the type of financial institution that has been found most feasible for this purpose. Pages 260-276 indicate the reasons why the United States has become interested in the making of overseas investments and discusses the difficult problems connected with the extension of credit overseas, together with the relation of such credits to the reconstruction of Europe. The analysis ties back at this place with the problem of the foreign exchanges, and the student should review that chapter.

The most important questions on Chapter XV are as follows: 3, 4, 5, 6, 7, 8, 10, 13, 16; on Chapter XVI, Nos. 2, 3, 4, 5, 6, 8, 12, 15, 17, 19.



LESSON 7. Trust Companies and the Modern Financial System. The Functions of Savings Institutions—pages 301-356.

The most important supplementary reading: on Chapter XVII—Noyes, Trust Companies, Political Science Quarterly, Vol. XCI, on Chap. XVIII, Kniffin, The Savings Bank and Its Practical Work.

The most important questions on Chapter XVII are as follows: 4, 9, 10, 12, 15, 16, 18, 20, 24, 26; on Chapter XVIII, Nos. 1, 5, 16, 17, 18, 19, 20, 21, 22, 25, 27, 30, 32, 35, 36, 38.

It is important to bear in mind that in treating of the trust company, savings bank, and commercial bank, in Chapters XVII, XVIII, and XIX, emphasis is placed only upon the functions of these institutions which respectively distinguish them. A so-called trust company, for example, besides performing the functions discussed in Chapter XVII, also conducts savings, bond, and commercial banking departments. The other institutions are also not usually highly specialized at the present time. Chapter XXIX should be read by the instructor in this connection. The treatment in these chapters is designed to be *functional* rather than to describe fully the work performed by so-called trust companies, savings institutions, and commercial banks.

LESSON 8. The Practical Operations of the Commercial Bank—pages 357 to top of page 386.

The most important supplementary reading: on Chapter XIX is Holdsworth, Money and Banking, Chaps. VIII and X.

The most important questions on Chapter XIX (pp. 357-386) are as follows: 1, 2, 3, 5, 8, 12, 13, 14, 17, 19, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 39, 40, 41, 42, 43.

It should be observed that Chapter XIX is concerned only with the practical operations of a commercial bank in performing services for customers. Chapters XXII-XXVI, inclusively, deal with other phases of commercial banking.

LESSON 9. Commercial Banking and the Financing of Foreign Trade—pages 386-426.

The most important supplementary reading: on Chapter XX—Holdsworth, Money and Banking, Chapter XV.

The most important questions are as follows: (bearing on pages 386-402); 44, 45, 47, 48, 49, 50, 54, 55, 59, 60, 61, 62, 65, 67, 68, 71; on Chapter XX, Nos. 4, 5, 6, 7, 8, 9.

Chapter XX considers the practical operations engaged in by commercial banks in financing foreign trade. It is supplementary to the Chapters on Foreign Exchange and on Foreign Investment Trusts; the student should review the Foreign Exchange chapter in this connection.

LESSON 10. The Commercial Banking System—pages 457-493.

The most important supplementary reading on Chapter XXII—Phillips, Readings in Money and Banking, Chapter XIX.

The most important questions on Chapter XXII are as follows: 1, 2, 3, 4, 6, 7, 10, 11, 14, 17, 18, 21, 23, 28, 29, 31, 34, 39, 42, 45, 48.

This chapter discusses the commercial banking system as it existed before the adoption of the Federal Reserve System. The reserve requirements have been changed under the Federal Reserve law and the system has been modified in numerous important ways. It is highly important, however, that the student know the conditions—as stated in this and the following chapter—out of which the Federal Reserve System grew, before attempting to study that system.

LESSON 11. Commercial Banking and Business Cycles—pages 494-519.

The most important supplementary reading on this section of Chapter XXIII—Phillips, Reading in Money and Banking, Chap. XXIX.

The most important questions on Chapter XXIII are as follows: 1, 3, 5, 6, 7, 8, 9, 10, 11, 13, 19, 20, 21, 22, 23, 25, 27, 28, 29, 31, 34.

This lesson is short so far as the number of pages is concerned, but it is one of the most important, if not the most important, in the entire volume for the reason that practically all of the serious problems of finance arise as a result of the phenomena of the business cycle. The student should be required to read and re-read the selection in the text from Mitchell on pages 512-518; and it is desirable that he make an outline of the issues there raised.

LESSON 12. Commercial Banking and Business Cycles, Continued—pages 519-546.

The most important supplementary reading on this part of Chapter XXIII—Phillips, Readings in Money and Banking, Chap. XXX.

The most important questions are as follows: 35, 36, 37, 38, 40, 42, 44, 45, 46, 47, 48, 49, 51, 52, 54, 55, 56, 59, 60, 61, 62.

LESSON 13. Government Regulation of Banking. The Federal Reserve System—pages 547-589.

The most important supplementary reading on Chapter XXIV—Moulton, Principles of Money and Banking, Pt. II, Chap. VI.

The most important questions on Chapter XXIV are as follows: 1, 3, 4, 5, 7, 8, 10, 11, 14; in Chapter XXV (pages 566-589) are as follows: 15, 6, 7, 8, 9, 10, 12, 13, 15, 16, 17.

LESSON 14. The Federal Reserve System—Continued—pages 589-623.

The most important supplementary reading on Chapter XXV—Holdsworth Money and Banking, Chap. 22.

The most important questions on Chapter XXV are as follows: 20, 21, 22, 26, 27, 29, 30, 31, 32, 34, 37, 46, 47, 48, 62.

LESSON 15. The War and the Federal Reserve System—pages 624-648.

The most important supplementary reading on Chapter XXVI—Reed, The Work of the Federal Reserve Board, Journal of Political Economy, January 1921.

The most important questions on Chapter XXVI are as follows: 1, 2, 3, 5, 10, 15, 16, 18, 19, 20.

LESSON 16. Financial Integration. The Concentration of Financial Power—pages 723-741, and 756-777.

The most important questions on Chapter XXIX are as follows: 1, 3, 5, 10, 11, 12, 13, 16, 17, 19, 22, 23, 27, 28, 29, 30, 31, 32.

The most important questions bearing on 756-777 are as follows: 11, 12, 15, 17, 18, 21, 26.

LESSON 17. The examination.

## BUSINESS FINANCE 231

Based on

BUSINESS FINANCE, W. H. LOUGH (Students' Edition—Ronald Press)

SESSION 1. Introductory—Nature and scope of subject matter. General aspects of business financing. Characteristic forms of business organizations—the individual, the partnership, and the modern corporation. Intermediate types. Chapters 1-2.

SESSION 2. Evolution of the corporation—economic and legal influences. Concept of the legal person. How and by what authority corporations are created. The charter. The composition of corporations—status of shareholders, officers, and directors. The corporation the typical form of modern business. Its spread in the United States. Development of the large-scale enterprise—distribution of ownership. Variety of corporate forms. Advantage and disadvantages. Chapters 3-4.

SESSION 3. *Capital*. Classification. (1) Owned capital—Stocks and shares. Common and preferred. Kinds and purposes. Significance of the preferred share. Terms of issue; investment features; voting privileges. Special forms of stock. The machinery of voting. Stock watering. Chapter 5.

SESSION 4. *Capital*. (2) Borrowed capital—its uses and advantages. The short-term loan. Types of securities. Bank and trade credit—collateral instruments. Safety factors. Long-term borrowing—analysis of bonds-mortgage; debenture; equipment trust, etc. The sinking fund. Chapters 6-7.

SESSION 5. Capitalization. Prevailing theories. Earning power as a criterion. Survey of industrial corporations. Appreciation of assets. The measurement of "good-will." Function of the stock-dividend. Chapter 8.

SESSION 6. Getting capital. The sources of investment. Correlation of banking and investments. The

army of small investors. Advantages of small shares. The problem of adaptation to market requirements. Relation of assets and securities. Chapter 9.

SESSION 7. Promotion of corporations. Preliminary steps. Basic features of potential enterprises. Failures and their causes. The person of the promoter—individual and corporate. Promotion engineering—reasons for its growth. Risks and profits. Chapters 10-11.

SESSION 8. Promotion (continued). The industrial combination. Some typical American promotions. Banking and railroad combinations. Chapter 12.\*

SESSION 9. Marketing Securities. The direct sale. Methods of disposal. Use of the subscription privilege. Reaching the outside public. Advertising matter. Disadvantages of direct selling. Chapter 13.

SESSION 10. Marketing Securities. Sale through dealers. Mechanism of the stock market. Advantages of organized marketing. Underwriting. Importance in modern finance. Types of syndicate agreements. Speculative operations. Chapters 14-15.

SESSION 11. Managing the corporation. Use of capital. Adjustment of working and fixed capital requirements. Problems of financing business growth. Economic aspects. Determination of working capital needs. Factors involved. Chapters 16-17 to page 392.

SESSION 12. Managing the corporation. Working capital. Effects of credit system on capital requirement. Specific problems; Exporting; Selling on installments. Calculating net income. Examination of the business accounts. Chapter 17 (concl.) Chap. 18.

SESSION 13. Dividends. Consideration of ownership and management in fixing rates. Dividends as income. Reconciliation of fixed dividends and variable profits. Dividend policies of representative firms. Methods of meeting dividends. Chapter 19.\*

SESSION 14. Surplus. Its sources. Distinction between surplus reserve and surplus fund. Capitalizing surplus vs. securing new capital. American and European practices. Financial standards. Chapters 20-22.

SESSION 15. Internal troubles of the corporation. Exploitation. Its growth in corporate enterprises. Specific abuses by officers, directors, and majority shareholders. Remedies. Chapters 23-24.\*

SESSION 16. Insolvency and Reorganization. Causes of failures. Proceedings in insolvency cases. Legal steps. Bankruptcy and receiverships. Reorganization. Purposes and methods. Structural and financial changes. Chapters 25-26.

SESSION 17. Examination.

Where reference shelves are being planned the following works on special phases of the subject should be considered:

Modern Law of Corporations	Machen
Corporate Organization and Management	Conyngton
Corporation Laws (Of specific States)	
Trusts, Pools and Corporations	Ripley
Capitalization	W. H. Lyon
Corporate Finance	Mead
Corporate Promotions and Reorganizations	Dewing
Investment and Speculation	Atwood
Principles of Bond Investment	Chamberlain
Materials of Corporation Finance	Gerstenberg
Financial Policy of Corporations	Dewing

\*Where conditions permit reference should be made to Dewing's "Corporate Promotions and Reorganizations" Accounts of either the National Cordage Co. or the Asphalt Consolidation are suitable for collateral reading.

(\*Reference may here be made to the investment columns of newspapers for valuable current evidence on this topic.)

\*Illustrative material may be drawn from the summary of the New Haven investigation by the Interstate Commerce Commission. Vol. 31. Reports June-Oct. 1914, pp. 33-83.

## OFFICE ORGANIZATION AND MANAGEMENT 242

Based on

OFFICE ORGANIZATION AND MANAGEMENT, GALLOWAY (Ronald Press, New York City)

SESSION 1. *Principles of Office Administration.* Special work of an office organization; Functions and qualifications of modern office managers; Meaning and effect of mass control on internal organization; What is a department; Types of organization in business offices; Meaning, advantages, and applicability of unit or team; Method within a department; Planning and scheduling; Principle, purpose and result of a survey of office; Functions and duties.

Assignment: Chapters 1, 2, 3, 4.

SESSION 2. *Location and Layout of Office.* Adaptation and location of building; Reputation of district; Location and service within the building; Relation of location to employees; Provision for expansion; Layout and flow of work: Factors of time and space, Routing and scheduling, Methods of planning, Arrangement based on service facilities, Sequence and time of operations.

Assignment: Chapters 5, 6, 7.

SESSION 3. *Office Equipment.* Value, uses, and utility of office machinery, devices and accessories; Planning and dispatching of the day's work.

Assignment: Chapters 8, 9.

SESSION 4. *Methodizing the Means of Communication.* Handling the office mail: Functions and routine of the mailing department, Incoming and outgoing mail, Labor saving devices, Elimination of lost motion and other mailing wastes, Standards of performance: Steps in the organization of a messenger service.

Assignment: Chapters 10, 11, 12.

SESSION 5. *Filing Department.* Nature, scope, personnel and standardization; Functions and work of the filing department; Qualifications and number of filing clerks; Essentials of classification and standard classifications; Amount, nature, and standardization of equipment required; Advantages and disadvantages of common methods of filing; Time and methods of transferring or destroying old records; Advantages and disadvantages of centralization.

Assignment: Chapters 13, 14.

SESSION 6. *Stenographic Department.* Organization; Location; Heat, light, ventilation, noise; Arrangement; Supervision; Selecting the stenographic force, Points to consider, Testing, training and salary; Equipment: nature and use; Tests for the department's efficiency; Standardization of letters; Inter-departmental letters and messages; Standardization of telegrams and cablegrams; Foreign letters.

Assignment: Chapters 15, 16.

SESSION 7. *Methods of Measurement and Control of Stenographic Output.* Measuring stenographic output; Advantages and methods; Filing details; Form letters: Use, preparation and follow-up; Handling envelopes, labels and enclosures; Duties of detail clerk; Summary of stenographic supervision.

Assignment: Chapters 17, 18, 19.

SESSION 8. *The Language of Business-Writing, Speech of the Executive.* Correspondence; Correspondence supervisor; Business reports; Need of effective everyday speech; Methods of improvement; Dictating; Explanations to subordinates; Conferences; Public Speaking.

Assignment: Chapters 34, 35, 36.

SESSION 9. *Review and Demonstration of Office Equipment and Devices.*

SESSION 10. *Purchases and Stores.* Need, responsibilities, value, records and duties of a Purchasing Department; Essentials of a purchase order system; Forms and their use; Stores' department forms and methods.

Assignment: Chapter 20.

SESSION 11. *Traffic and Credit Departments.* Service of department; Functions; Filing and classification of tariff and tariff data; Forms: kind, use, disposal; Credits: Handling credits, collections and complaints; Functions; Methods of procedure; Organization: arrangement and equipment; System; Personnel.

Assignment: Chapters 21, 22.

SESSION 12. *Sphere and Control of Sales.* Functions; Control of salesmen in the field; Analysis of sales; Sales orders; Statistical records; Reports; Prospect files; Routing and planning; Reward of salesmen; Training of salesmen; Special data.

Assignment: Chapters 23, 24, 25.

SESSION 13. *Work of Sales Promotion Department and Advertising Department.* Work of the sales promotion department; Duties of personnel; Follow-up of salesmen and customers; Handling of inquiries by form letters; Work of the advertising department; System for the recording of ideas; Record mediums; Records by region, season, etc.

Assignment: Chapters 26, 27.

SESSION 14. *Accounting Department.* Value of accountancy to office managers; Functions, personnel and duties of accounting organization; Measurement and control of work.

Assignment: Chapters 28, 29.

SESSION 15. *Selection of the Right Employee.* Stabilizing the requirements of a position; Standard tests; Job analysis; Requisitions for labor; Transfer or promotion of employees.

Assignment: Chapter 30.

SESSION 16. *Training and Education of Employees.* Adjustment of employee to environment; Standard tests; Job analysis and the promotion problem; Pitfalls of educational schemes; Methods of compiling courses; Training for scientific jobs.

Assignment: Chapter 31.

SESSION 17. *Examination.*

## FACTORY ORGANIZATION AND MANAGEMENT 342.

Based on

### TWELVE PRINCIPLES OF EFFICIENCY, EMERSON, and FACTORY ORGANIZATION AND ADMINISTRATION, DIEMER

LECTURE I. *Organization:* Underlying Principles; Department Store Organization; Industrial Organization; Executive Accounting; Manufacturing and Sales Groups; Centralized and Decentralized Organizations; Value of Corporate Form of Organization; Production Organization; Sales Organization.

*Reading Assignment:* Diemer's "Factory Organization and Administration," Chapters 1, 2, 3, 4; Emerson's "Twelve Principles of Efficiency," Chapters 1 and 2.

LECTURE II. *Good Judgment:* Common Sense; Competent Counsel; Ideals; Discipline; Fair Deal.

*Reading Assignment:* Emerson's Chapters 3, 4, 5, 6, 7.

LECTURE III. *Records:* Importance of Records to Business; Standardization through Records; Forms of Records; Design of Records.

*Reading Assignment:* Emerson's Chapter 8.

LECTURE IV. *Planning:* Production Planning; Division of Executive and Mechanical Work; Stock Records; Requisitions; Scheduling Work; Routing of Orders; Planning Boards; Other Examples of Planning

*Reading Assignment:* Emerson's Chapter 9.

LECTURE V. *Standardization*: Definition; Establishment of Standards; Maintenance of Standards; Advantages of Standardization; Disadvantages.

*Reading Assignment*: Emerson's Chapters 10, 11, 12, 13.

LECTURE VI. *Rewards*: Basis of Rewards; Methods of Payment; Difference between Piece Rates and Bonus or Premium; Differential Piece Rate System; Profit Sharing Methods.

*Reading Assignment*: Emerson's Chapters 14, 15, 16.

LECTURE VII. *Plant Layout*: Types of Factory Construction; Advantages and Disadvantages of Each; Routing Material; Chart of Assembly Procedure; Departmental Routing Diagram; Layout of Departments.

*Reading Assignment*: Diemer's Chapters 6, 7, 8, 14.

LECTURE VIII. *Machine and Stock Layouts*: Layout of Machinery; Routing of Material; Application of Power; Laying out of Stock Bins; Indexing Stock.

*Reading Assignment*: Diemer's Chapter 19.

LECTURE IX. *Standardization of Product and Equipment*: Piece Numbers; Assembly Orders; Bills of Material; Standardization of Equipment; Department Group of Equipment; Numbering Machines.

*Reading Assignment*: Diemer's Chapters 11, 12, 13.

LECTURE X. *Production Control*: Planning and Scheduling Production; Classes of Factory Orders; Departmental Planning Boards; Purchasing; Request for Quotations; Purchasing Orders; Goods Received Reports; the Stock Record Card; Stock Requisitions; Keeping of the Stock Records.

*Reading Assignment*: Diemer's Chapters 15, 16, 17, 18, 20, 24, 28.

LECTURE XI. *Establishing Standard Times*: Time Study; Definitions and Descriptions of Different Methods.

*Reading Assignment*: Diemer's Chapter 21.

LECTURE XII. *Task and Rate Setting*: Ordinary Methods of Setting Piece Rates; Setting Bonus Rates; Methods and Formula.

*Reading Assignment*: Diemer's Chapter 25.

LECTURE XIII. *Methods of Wage Payment*: Labor Incentives; Day Work; Piece Work; Differential Piece Rates; Bonus Systems; Differential Base Rate; Profit Sharing.

*Reading Assignment*: Diemer's Chapter 26.

LECTURE XIV. *Employment Methods*: Classification of Jobs; Labor Market; Selecting Labor Applicants; Employees' Record; Determining Labor Turnover.

*Reading Assignment*: Diemer's Chapters 9, 10, 27.

LECTURE XV. *Accounting and Office Methods*: Classification of Accounts; Private Ledger; Controlling Accounts; Subsidiary Ledgers; Cost System; Perpetual Inventory.

*Reading Assignment*: Diemer's Chapters 5, 22, 23.

LECTURE XVI. *Sales Promotion and Standardization*: The Market; Channels of Distribution; Internal Sales Organization; Advertising; Sales Promotion; Sales Records.

*Reading Assignment*: No reading assignment.